



BRIEFING: October 6, 2015, BOARD MEETING AGENDA ITEM #2

TO: Chairman Richard and Board Members

FROM: Scott Jarvis, Chief Engineer

DATE: October 6, 2015

RE: Consider Approving the Award of the Project and Construction Management Services Contract for Construction Package 4

Background

Construction Package 4 (CP 4) extends approximately 22 miles through the Central Valley from the southern terminus of CP 2-3 to Poplar Avenue, several miles north of Bakersfield. The purpose of this Project and Construction Management (PCM) Services contract is to manage the CP 4 design-build contract, under the direction and support of the California High-Speed Rail Authority (Authority) and its Rail Delivery Partner (RDP). Additionally, Independent Checking Engineer (ICE) and Independent Site Engineer (ISE) services related to the design-builder's work will be provided by a subcontractor through the PCM contract.

The PCM will be responsible for the active, day-to-day oversight of the CP 4 design-build contractor. The services the PCM team may be called upon to provide include the following: Project management and administration; Quality, Verification and Validation, and self-certification oversight; Safety and security oversight; Project controls and risk management; Engineering oversight; Construction oversight; Environmental oversight; Third party, other contract, and utility oversight; Public outreach; Specialty support services; and, ICE and ISE services.

There will be no duplication or overlap of services between those provided by the PCM and the RDP, as the RDP's scope of services does not include managing design-build contracts. The RDP's role related to the design-build contracts is primarily to oversee and develop uniform practices and procedures for the three Central Valley PCM contracts (CP 1, CP 2-3 and CP 4) and to ensure that program level requirements and interfaces are addressed in the management of those individual contracts.

Authority staff now seeks the Board's approval to enter into a contract with HNTB Corporation for PCM Services for CP 4.

Prior Related Board Action

Pursuant to Board Resolution #HSRA 15-12, approved on June 9, 2015, the Authority issued a Request for Qualifications (RFQ) later that month to procure PCM services for CP 4 in accordance with the Board's policy on the issuance of RFQs. The Board approved a contract compensation range of \$28,000,000 to \$33,000,000.

Discussion

RFQ Process

The RFQ was issued on June 11, 2015, and has been managed directly by Authority staff with support from the RDP consistent with the State's competitive Architectural & Engineering procurement process, including Government Code, Sections 4525-4529.5. The Statements of Qualifications (SOQs) were reviewed and analyzed by qualified senior Authority staff and the selection was made under the direction of the Chief Financial Officer (CFO), pursuant to Board policy PROC-FIN-001.

Four Offerors submitted SOQs on August 4, 2015, as follows: (1) HNTB Corporation; (2) Hill International, Inc.; (3) CALTROP Corporation; and (4) Cardno, Inc.

SOQ Evaluation Process

The SOQs were reviewed and evaluated by senior Authority staff in accordance with the Authority's administrative regulations, policies, and procedures. The Evaluation Selection Committee scored the four SOQs pursuant to the criteria from the RFQ. The SOQ scoring included criteria within these main areas:

- Past Performance and Experience
- Organization and Key Personnel
- Understanding of Project Requirements
- Small Business Participation

Based on these criteria, three of the four Offeror teams were invited to interviews/discussions, which were held on August 20, 2015, to further the evaluation process and serve as the basis for ranking the Offerors. The teams participating in the interviews/discussions were: (1) HNTB Corporation; (2) Hill International, Inc.; and (3) CALTROP Corporation.

The interview/discussion process consisted of a presentation by each Offeror team followed by questions and answers. Each Offeror team was scored against the criteria provided in the RFQ, which included:

- Presentation
- Project Manager Participation
- Key Staff Participation
- Understanding of the Project

After the entire evaluation process was completed, the final scores/rankings of the three teams were: (1) HNTB Corporation – 87.5%; (2) Hill International, Inc. – 79.8%; and (3) CALTROP Corporation – 77.5%.

Negotiation Process

As outlined in the RFQ, notice was provided to all three teams of their rank and negotiations subsequently commenced with HNTB Corporation (HNTB) as the top-ranked Offeror. After a series of meetings, the negotiations with HNTB were successfully completed and an agreement on a contract price in the amount of \$30,064,017 was reached.

The contract issued for PCM Services for CP 4 will include the Board-adopted 30 percent Small and Disadvantaged Business (SBE) participation goal. HNTB has established the following SBE participation compliance goal: SBE Program % = 33.72 overall, including DBE % = 22.78% and DVBE % = 3.66%.

The SBEs identified in HNTB's SOQ were: Aero Environmental; Athalye Consulting Engineering Services; Blackburn Consulting; Holdrege & Kull; Live Oak Associates; MBI Media; NSI Engineering; Paleo Solutions, Inc.; Petra Resource Management; Ramos Consulting Services, Inc.; Ruettgers & Schuler Civil Engrs.; S2 Engineering; Safework, Inc.; Sapphos Environmental, Inc.; and Trinity Engineering.

Staff and the Chief Executive Officer (CEO) recommend that the Board approve awarding the PCM Services contract for CP 4 to HNTB, including subcontracted work by the ICE/ISE. If approved by the Board, the CEO, or designee, would enter into a contract with HNTB on behalf of the Authority.

About HNTB

HNTB is a national infrastructure industry leader in planning, designing, and managing rail and other transportation projects. In business for more than 100 years, HNTB is a top-ranked construction management firm that has provided these services on projects with a combined value of more than \$15 billion over the last 10 years. HNTB has extensive design-build experience, not only as the construction manager but also as the lead designer. Recent HNTB experience with major design-build projects includes Presidio Parkway, the METRO Crenshaw Corridor project in Los Angeles, and the I-405 improvement project in Orange County. HNTB has supported the high-speed rail program previously as a regional consultant for the San Francisco-San Jose section. HNTB has 7 major offices throughout the state of California.

The HNTB team includes HDR which will serve as the independent checking/independent site engineer (ICE/ISE). HDR has provided ICE/ISE services on numerous mega-projects in California. The team also includes the firm NV5 which has a staff of over 100 construction managers located in the Central Valley. The integrated HNTB team includes 15 experienced SBE/DBE/DBVE firms, 5 of which headquarter in the Bakersfield area.

Recommendations

It is recommended that the Board adopt a Resolution approving the award of the PCM Services contract for CP 4 in an amount of \$30,064,017 for approximately five years, which includes a term of one year past substantial completion of the CP 4 design-build contract.

Attachments

- Draft Resolution #HSRA 15-17
- Board Resolution #HSRA 15-12, approved on June 9, 2015