



Florida Department of Transportation

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JARED W. PERDUE, P.E.
SECRETARY

August 22, 2023

Mr. Jamie Christian
Division Administrator
Federal Highway Administration
3500 Financial Plaza, Ste. 400
Tallahassee, Florida 32312

Subject: Special Experimental Project No. 14 (SEP 14) Request

Dear Mr. Christian:

The Florida Department of Transportation (Department) requests FHWA approval to evaluate the use of a Qualification Based Phased Design Build (Phased DB) selection process for a large-scale transportation project that is vital to the State. Attached is a Special Experimental Project No. 14 (SEP 14) request detailing the procurement process, anticipated benefits, and reporting expectations.

Under 23 CFR 636.302(a)(1), evaluation of price is required in the selection of a design-builder if the NEPA process has been completed. The Department proposes to implement the SW 10th St Connector project in Broward County, which received Location and Design Concept Acceptance in 2021 under two separate PD&E Studies (FPIDs 439891-1 and 436964-1), as a Phased Design Build (PDB). The Department proposes to move forward in this fashion under the authority of the recently executed Florida Law (2023-70) allowing the Department to construct major projects using the Phased Design Build procurement and contracting method. The Department proposes to also include the SW 10th St Connector Transportation Systems Management and Operations (TSM&O) Smart Work Zone project (439891-5) in a combined PDB contract, to expedite the construction traffic congestion mitigation benefits and delivery efficiency by bringing the TSM&O project under the control of the prime highway/bridge contractor for SW 10th St Connector. Note that a Type 1 Categorical Exclusion was obtained for the SW10th TSM&O in July 2022. Limits of the segments are provided in the attached.

We believe you will find our SW 10th St Connector program to be acceptable for federal participation and request your concurrence to proceed with eligible projects. We will continue to coordinate with the Division on other federal requirements for the SW 10th St Connector as a Major Project, including updates to the Project Management Plan and Finance Plan as appropriate.

If you wish to discuss any of these items further, please let me know.

Sincerely,

DocuSigned by:
A blue ink signature of Will Watts, P.E., enclosed in a white rectangular box with a thin black border. The signature is written in a cursive style.

022E6284290B41A...
Will Watts, P.E.

Assistant Secretary for
Engineering and Operations

cc: Bren I. George-Nwabugwu, Sr.
Marvin Williams

Special Experimental Project No. 14 (SEP 14)

Alternative Contracting Workplan

for

Florida Department of Transportation Contract E4V72

SW 10th St Connector Project

A. Introduction

The Florida Department of Transportation has had great success in the last 20+ years utilizing Design-Build (DB) contracting for construction projects. As an early adopter of this contracting method, the Department has been able to successfully deliver hundreds of DB projects across all seven of the Department's Districts. The Department continues to study and refine its processes to ensure that the public obtains maximum value through this best value selection method. As part of that effort, the Department proposes to continue piloting in Florida a new innovative approach to contracting, Phased Design Build (Phased DB), which would require a deviation from current Federal Regulations. This deviation would allow the Department to use Phased DB on the second large project in the State (the other being the *Tampa's Westshore Interchange*) with the SW 10th St Connector project, a high priority for the State and the region, in an innovative, collaborative, and expedited way.

B. Purpose

The Department has a proven track record of success in delivering innovative contracting methods and has partnered with the design and construction industry to develop this Qualification Based Phased DB procurement for the *SW 10th St Connector Project*.

Under 23 CFR 636.302(a)(1), evaluation of price is required in the selection of a design-builder if the NEPA process has been completed. The SW 10th St Connector Project received Location and Design Concept Acceptance in 2021, under two separate PD&E Studies (FPIDs 439891-1 and 436964-1). **The Department is requesting to select a Phased DB Firm based solely on qualifications where price is not a component.** The Department intends to undertake this project using the recently executed Florida Law (2023-70), which authorizes the Department the ability to construct major projects using the Phased Design Build procurement and contracting method.

This document will define the scope of the project, followed by a detailed explanation of the proposed Phased DB process, including the Qualification Based selection criteria proposed.

C. Project Scope - Background

SW 10th St Connector Project

Located in the northern portion of Broward County, the SW 10th St Connector is a 3-mile link in the overall south Florida regional limited access highway network, first envisioned by planners in the 1970s and first developed with right of way acquisition in the 1980s. Following multiple attempts for project

NEPA clearance and public approval, FDOT was able to build a coalition and partnership with the Broward MPO, Broward County, the City of Deerfield Beach, and municipal partners across the region to obtain the PD&E approval in summer and fall 2021. Combined with the SW 10th St TSM&O project, this proposed Phased DB project includes the following:

- Construction of a 4-lane divided high speed and free flow limited access extension of the Sawgrass Expressway, as the SW 10th St Connector Lanes between the end of the Sawgrass Expressway and I-95
- Reconstruct local SW 10th St as a 6 to 4-lane local street within the existing SR 869 R/W, including a 12' wide shared use path, and maintaining all local business and residential community access throughout the project limits
- Construct a full system to system interchange between the SW 10th St Connector and I-95, with connections to/from I-95 General Purpose and Express Lanes with the SW 10th St Connector Lanes
- Reconstruct the existing SW 10th St and I-95 Service Interchange
- Reconfigure and optimize the I-95 at Hillsboro Blvd. Interchange
- Provide the second NB and SB 95 Express Lane within the limits of I-95 reconstruction, from north of Sample Road to north of Hillsboro Blvd, completing the 30-miles of 4-lane 95 Express Phase 3
- A regional smart work zone construction phase network along 26-miles of state highways surrounding the I-95 and SW 10th St Connector projects, to maximize Intelligent Transportation System (ITS) and Connected/Automated Vehicle infrastructure for construction congestion mitigation through alternative route real time operations

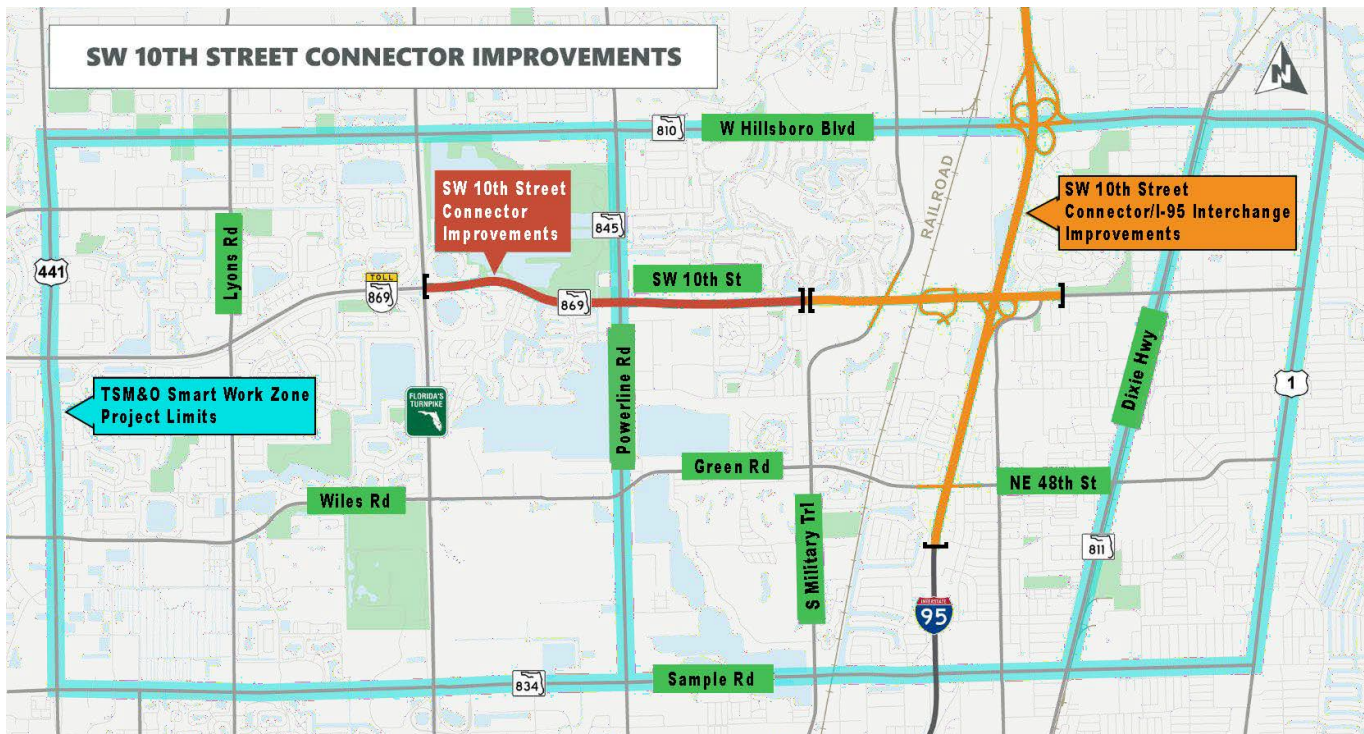


Figure 1: SW 10th St Connector Project Components



Figure 2: SW 10th St Connector and Local SW 10th St facilities sharing existing R/W



Figure 3: SW 10th St Connector at I-95 Interchange reconstruction

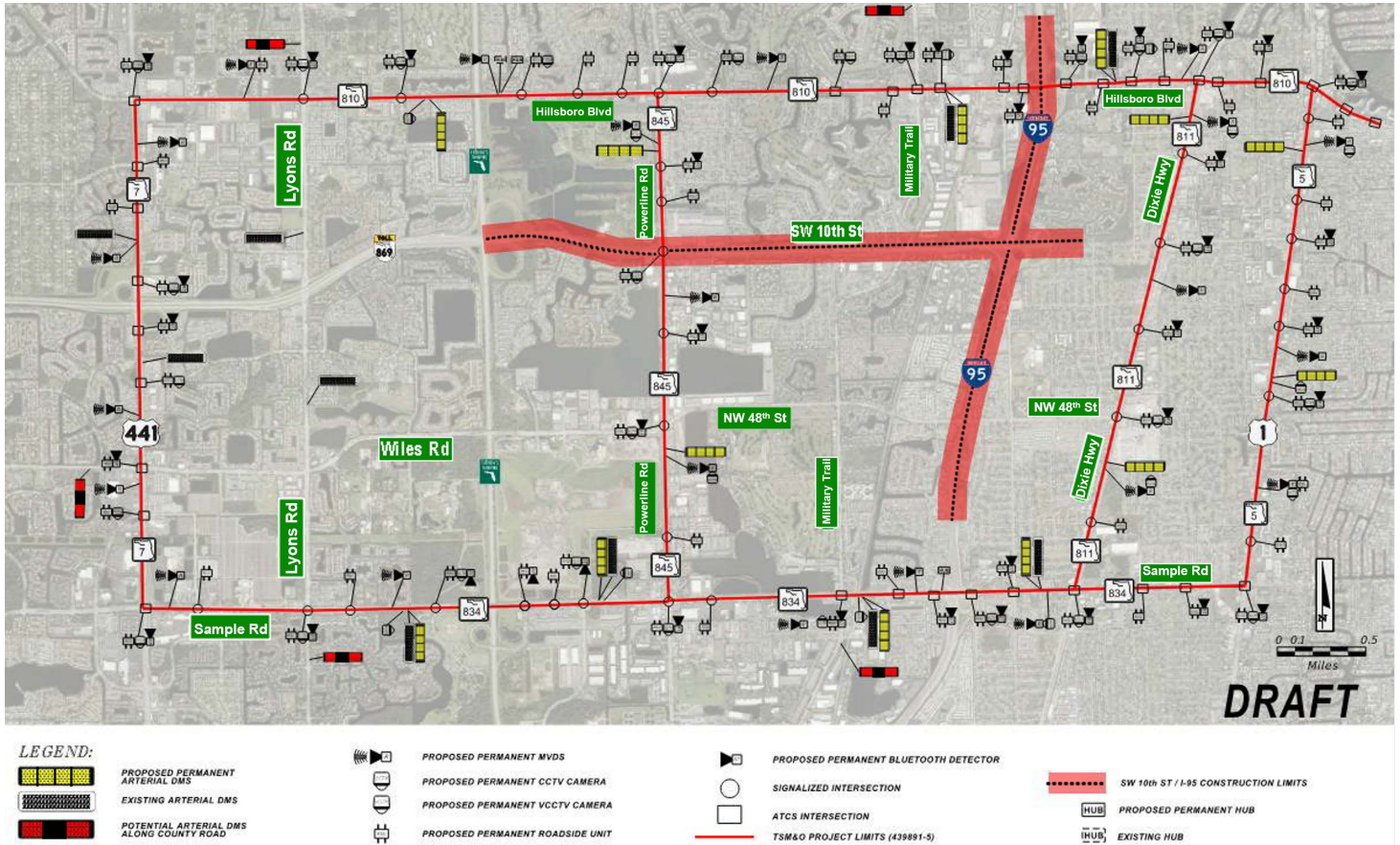


Figure 4: SW 10th St Connector TSM&O project limits and summary of technology components

D. Phased Design Build (Phased DB) Process

Phased DB is a project delivery method that combines the planning, preconstruction, and construction phases under one contract. The selection of a Phased DB Firm to undertake this project will be based solely on the qualifications of the proposers and their proposed approach to the project. The Department will procure a Phased DB Firm through the following process (detailed schedule is provided in Section E):

Procurement Phase: Phased DB Procurement (estimated time: 3 months from Advertisement to Award)

1. The Department will advertise a Request for Qualifications (RFQ) to solicit Letters of Response (LORs) from Firms to design and build the SW 10th St Connector Project.
2. Proposers will submit LORs expressing their statements of qualifications consistent with the criteria contained in the RFQ.
3. The Department will host presentations with question-and-answer sessions for each responsive proposer.
4. A Technical Review Committee (TRC) comprised of Department staff will evaluate proposers consistent with the criteria indicated in the RFQ and select the highest scoring proposer. The specific evaluation criteria and weighting are provided in Section F of this Workplan.

Planning Phase (estimated time: 9 months)

After selection, the Phased DB Firm and the Department will negotiate the initial **Planning Phase Services**.

This phase includes the preparation of preliminary design plans, specifications, schedules, and other submittals as required by the RFQ. This work will be authorized with a notice to proceed at initial contract execution and will last approximately 9 months.

The Planning Phase will be followed by the **Preconstruction Phase services**, which will include design, engineering, construction phasing/segmentation, risk management, master schedule, specifications development, cost estimating and preparation of contract documents.

Preconstruction and Construction Phases (estimated time: 7 years)

During both Planning and Preconstruction Phases, the Phased DB Firm will collaborate with the Department, its representatives, and its stakeholders to progress and optimize the design of the project and prepare preliminary and final construction documents that meet the scope and goals of the project. To facilitate fair negotiation with the Phased DB Firm, all proposers will be required to submit additional financial information with their LORs. Professional services fee negotiations will follow 23 CFR 172 and the Department's approved Procedure for Acquisition of Professional Services¹.

As design progresses and at the Department's request, the Phased DB Firm will develop Work Package Proposals (WPPs) that includes Guaranteed Maximum Prices (GMPs) for portions of the project. The Construction Phase Services will begin whenever the first WPP is authorized to commence and will conclude when the last WPP has been constructed. This work will last approximately 7 years

The project will be constructed in phases aligned with Florida's State Transportation Improvement Plan and available funding, which is subject to change. The RFQ will detail when funding is expected to become available, and the Phased DB Firm will plan WPPs according to the available funding.

To ensure efficient and effective use of federal and state funding, the Department will contract with an Independent Cost Estimator (ICE). This representative of the Department will collaborate with the Phased DB Firm and provide independent quantity takeoffs, prepare independent cost and schedule estimates, hold cost reconciliation meetings, provide constructability plan reviews, and assist the Department in managing project risks. The development of all GMPs and WPPs and changes during construction will be on an open-book basis, and the Department and its representatives will have the right to access and copy all records, accounts, and other data used by the Phased DB Firm in connection with the preparation of any GMP and WPP.

¹<https://www.fdot.gov/procurement/ProfServProc>

If the Department is unable to reach agreement with the Phased DB Firm upon any WPP, then the Department may take one or more of the following actions:

1. Enter into discussions with the Phased DB Firm to reconcile basis of costs differences.
2. Direct the Phased DB Firm to value engineer or reexamine the scope of the WPP and make modifications to the proposal to satisfy the Department's concerns, and then resubmit the proposal as a new WPP.
3. Enter into negotiations with the Phased DB Firm to remove portions of the WPP and either create a new WPP with a modified scope, or add those removed portions to previously approved Work Packages (WPs) through amendments, modifying the previously agreed upon task work order (TWO) for the associated WP accordingly.
4. Require the Phased DB Firm to competitively bid a portion of the self-performed Work if the parties are unable to mutually agree, after good faith negotiations, that the self-performed price is acceptable.
5. Reject the WPP in its entirety. The Department will have an "off-ramp" option and may directly contract out WPPs or portions thereof using existing procurement procedures that are fully

compliant with federal and state regulations.

The selected Phased DB Firm. shall self-perform at least thirty percent (30%) and not more than forty percent (40%).

The Phased DB Firm will be required to solicit a minimum of three competitive bids for all subcontracted construction work, including for any materials or equipment supplied.

Compensation for the Phased DB Firm professional services will follow FHWA policies and FAR cost principles, including FAR-compliant audited indirect cost rates for engineering and design-related services. Construction reimbursement will be in accordance with conventional Department Design- Build project payments which utilize a schedule of values and monthly progress payments.

Other federal requirements such as Build America, Buy America Act, Davis-Bacon Wage Rates, OJT, DBE and FHWA-1273 requirements will be applied to all construction activities and implemented through existing Department procedures. All other Major Project requirements will remain in effect. This will include updated Project Management Plans, and annually updated Finance Plans and Cost Estimates. No contract or amendment will be executed without first obtaining federal authorization in FHWA's Financial Management Information System (FMIS).

Potential Benefits of Phased DB

Traditional procurement methods for this large-scale project would lead to significant delivery risks including:

- Higher bids due to unmitigated project risks
- Higher bids due to risk of cost inflation of materials/services over the lengthy project duration
- Sequential lettings and multiple contractors introduce coordination gaps in design and conflict points at project interfaces
- Significant change orders resulting from multiple design teams and contractor interfaces
- Competition for skilled workforce and raw materials
- Inaccurate bids due to difficulty of assessing the complexity and duration of construction
- Sequential projects for the interchange resulting in multiple years of construction fatigue

Phased DB can mitigate many of these risks related to design coordination and gaps, prolonged construction, cost increases and multi-contractor disputes.

Furthermore, the Phased DB method provides an expedited and streamlined procurement process. This is particularly important for a highly complex and crucial project like the *SW 10th St Connector Project*. A typical large Design-Build project will take approximately 10-12 months to procure. By comparison, the Phased DB procurement period is approximately 4-5 months, less than half the time typically required. By already having a Phased DB Firm on board for the entire project, the Department will save substantial time and money on the multiple construction projects that would otherwise be procured separately.

This contracting process allows for maximum involvement from the Department throughout project

development. The collaboration among the Phased DB Firm and Department will produce innovation and optimization of scopes throughout project development. Transparency throughout the development of the WPPs will ensure efficient and effective use of federal and state funding by utilizing an open book process to review bids and costs. Risks will be openly identified, discussed, mitigated, and estimated to arrive at a mutually agreed upon and realistic cost for final design and construction.

Ultimately, the Department will maintain cost control with the ability to modify scopes, value engineer, and, if necessary, “off ramp” TWOs and procure them through conventional processes.

E. Schedule

Below are key dates for the project’s procurement schedule

Date	Event
<u>September 5</u>	Advertisement with Final RFQ
<u>October 9</u>	Letters of Response expressing statements of qualifications (limit 25 pages) due in District 7 Office by 5:00 pm local time.
<u>October 16</u>	Posting Date of List of Qualified and Responsive Design-Build Firms
<u>October 23</u>	Department provides questions to responsive Proposers.
<u>November 9</u>	Presentation with Questions and Answers
<u>November 27</u>	Evaluators (Technical Review Committee) submit qualification-based scores to Contracting Unit 5:00 pm local time.
<u>December 4</u>	Posting of Evaluation Scores and intended award (selection) at 5:00 pm local time.
<u>December 4</u>	Final Selection Posting Date.
<u>December 11</u>	FHWA Concurrence to Award.
<u>2024</u>	
<u>January 3</u>	Anticipated Award Date.
<u>January 10</u>	Planning Phase Scope of Services and Staff Hour Negotiations.
<u>March 4</u>	Anticipated Execution Date Contract for the Planning Phase.

F. Evaluation of Qualifications & Scoring

The Department shall conduct an evaluation of both the Letter of Response and Presentation with Questions and Answers from each Proposer. An overall score for each Proposer will be based on the following criteria:

<u>Item</u>	<u>Value</u>
1. Qualifications and Organization	35
2. Business Development Initiatives	5
3. Safety Approach	10
4. Collaboration and Innovation Approach	30
5. Risk Management and Project Controls Approach	20
 Maximum Score	 100

Final Selection Formula:

The Proposer selected will be the Proposer whose score is highest considering the qualifications and approach from the Letter of Response, Presentation and Question and Answer period.

The Department reserves the right to consider any response as non-responsive if any part of the Letter of Response does not meet the criteria established in this RFQ.

Final Selection Process:

After the evaluation scores are received, the Department's contracting unit will open the scores and provide them to the Project Selection Committee to review. At least seven days after the scores have been received by the Project Selection Committee, a public meeting will be held for the Project Selection Committee to meet, review the evaluation of the Technical Review Committee of each Proposer, and make a final determination of the highest score which shall determine the intended selection of the Proposer for the Department to enter into negotiations with. The Selection Committee has the right to correct any errors in the evaluation and selection process that may have been made. The Department is not obligated to award the contract and the Selection Committee may decide to reject all responses. If the Selection Committee decides not to reject all responses, the contract will be awarded to the Proposer determined by the Selection Committee to have the highest score. In the case of a tie, between two or more firms, the Selection Committee may make a decision to award to any of the tied firms or may take any other action it deems appropriate for the procurement.

The Department will enter into negotiations with the highest scoring Proposer for the services, obligations, basis of payment, and performance of work described in this RFQ. The Department, at its sole discretion, shall have the right to negotiate and enter into a Contract with the next highest scoring Proposer if an agreement of terms is not reached with the highest scoring Proposer. The Department may continue this process, negotiating with each subsequently highest scoring Proposer, if an agreement with the previous Proposer is not achieved. The Department may, in its sole discretion, end negotiations with all Proposers and cancel this procurement, without hindering any future ability to start a new procurement for the same Work.

Qualification Evaluation Criterion

Proposers must meet all of the required FDOT prequalifications listed in the Advertisement in order to submit. The RFQ includes the following direction to proposers:

- Describe the qualifications and organization of the Proposer including teaming arrangements, structure, key leadership personnel, discipline leads, staff, roles/responsibilities, and location. Identify field staff and office staff on comparable scope of work and delivery method. The key personnel as required in the RFQ must be included.
- Describe similar experience in large complex urban highway and bridge interchange reconstruction projects. Describe experience with large scale alternative delivery projects or programs that are similar in size and scope. Include and describe examples of similar work/projects, status of work, and references.
- Provide evidence of capacity and ability to self-perform a minimum of 30% of the Project. Describe your approach to self-performed work and subcontracting.
- Approach to Industry and Business Development Initiatives: Describe the Proposer's approach to engage and encourage participation of subcontractors, suppliers, and other industry partners including DBE, SBE, WBE, and MBE firms during all phases of the Project.
- Safety Approach: Describe the Proposer's approach to improving safety for the traveling public and field staff, including innovative ideas that would be employed during all phases of the Project. Report the Proposer's safety history pertaining to fatalities, TRIR, DART, and EMR.
- Collaboration Approach: Describe the Proposer's approach to develop a culture of collaboration with the Department, its representatives, Project stakeholders, and its own team including subcontractors and trades during all phases of the Project. The collaboration approach should address Project communications, stakeholder outreach, progressing the design, developing and negotiating Work Package Proposals and GMPs (including approach to working with the ICE), issue escalation and construction.
- Project Controls Approach: Describe the Proposer's approach to cost control, transparency, schedule management, budget management, construction phasing, design quality management, and construction quality management during all phases of the Project.
- Risk Management Approach: Describe the Proposer's approach to identifying, monitoring, mitigating, and managing risks during all phases of the Project, including the use of contingency, risk sharing, and shared savings.
- Innovation Approach: Describe the Proposer's approach to developing, evaluating, and presenting innovations that improve the Project. Include relevant examples from projects listed in the Qualifications sections and specific ideas for the Project. It is the Department's intent to promote the use of innovative design concepts, components, details, and construction techniques for bridge structures as discussed in Part 1, Chapter 121 of the Florida Department of Transportation (FDOT) Design Manual (FDM). The Design-Build Firm may present ideas for innovative concepts in their Letter of Response, but it is not the intent of the Department that these ideas be fully developed. Innovative concepts will be discussed with the Department and approved in accordance with Part 1, Chapter 121 of the FDM during the Planning and Preconstruction Phases of the Project.

The Proposers shall also provide completed Financial Forms for the Planning Phase. This information will be evaluated as part of the Proposer's responsiveness (on whether the Proposer has completed the forms providing an adequate and reasonable level of understanding of the Work to be completed within the Planning Phase of the Project). The completion of the forms is required for the Phased DB Firm to be responsive to the RFQ. The Financial Forms will not be scored in the evaluation.

G. Reporting

The Department will prepare an initial, interim, and final report on the Phased DB project to assist FHWA and States with future Phased DB implementation.

An initial report will be prepared at the conclusion of the Planning Phase of the contract. An interim report will be prepared upon completion of at least one approved WPP and agreement on a GMP. The report will include a discussion of topics such as: industry feedback from the Phased DB process, level of competition among the proposers, lessons learned from the initial negotiation process, subcontractors' feedback including contract compliance, ICE effectiveness throughout the process, partnering, and innovation.

A final report will be prepared upon final acceptance of the Phased DB project. This report will detail lessons learned from the procurement and project administration phases of the project as well as suggestions for improving the Department's process.