

OREGON DEPARTMENT OF TRANSPORTATION

**Final Evaluation Report
A+D Best Value Contracting**

for the

**OR58: Salt Creek Half Viaducts – Phase II Project
Willamette Highway
Lane County**

**Key Number: 19221
ODOT Contract Number: 14767
Exemption Number: 2014-01**

June 2016

**Prepared By:
Steve Templin, P.E.
Project Manager**

Table of Contents

1 – Introduction

1-1 Purpose

2 – Background

2-1 The Project

2-2 A+D Contracting

3 – Report

3-1 Project Costs

3-2 Contract Change Orders

3-3 Extra Work Orders

3-4 State Force Orders

4 – Conclusions

4-1 Final Project Remarks

4-2 Lessons Learned

5 – Appendices

5-1 Approved Request of Exemption from Competitive Bidding Process

5-2 Contract Provisions for A+D Bidding

5-3 FFE Report – Final Evaluation for the OR58: Salt Creek Half Viaducts – Phase II
A+D Best Value Contracting Project

5-4 SEP-14 Work Plan – OR58: Salt Creek Half Viaducts – Phase II

1 – Introduction

1-1: Purpose

This post construction report is an end of construction evaluation of the alternative bidding method A+D for the OR58: Salt Creek Half Viaducts – Phase II project. This report is required under Oregon Revised Statute (ORS) 00279.103 “Evaluation of certain public improvement projects not contracted by competitive bidding” for any public improvements project in excess of \$100,000. It is also required by the Federal Highway Administration (FHWA) under Special Experimental Project No. 14 (SEP-14) Innovative Contracting, which approved the FHWA participation in this contracting method.

2 – Background

2-1: The Project

The OR58: Salt Creek Half Viaducts – Phase II project was located in Lane County, near Salt Creek Tunnel on Willamette Highway (OR58), between mile points 55.90 and 56.48. This project was a continuation of the project FFO – OR58: Salt Creek Tunnel & Half Viaducts – Bundle 257, KN 16035. The entire scope of work for the original project was not completed under the original project. This project focused on completing the original project and consisted of the following major work items:

- Removing and replacing the existing half viaduct Structure No. 07188
- Removing and replacing the existing half viaducts Structure No. 07187
- Finishing the partially constructed half viaduct Structure No. 21569 & No. 21570
- Removing portions of the existing electrical building and installing new roof, maintenance access, tunnel illumination control equipment, and backup generator system.

2-2: A+D Contracting

ODOT utilized the A+D (Price plus Technical Approach) alternative best value contracting method to address project needs by evaluating components which include the contractor’s technical approach, as well as price, which results in a “Best Value” selection. This procurement method encompasses the Oregon Legislature’s focus on economic efficiency and stimulation and provides recognition of the value to the public of employing enhanced contracting methods, which will accomplish the required work in the most effective manner.

The Oregon Department of Transportation received permission to use best value contracting in the form of A+D for the complicated construction constraints and technical requirements of the OR58: Salt Creek Half Viaducts – Phase II project. Exemption Number 2014-01 to the low bid process was obtained as provided in the Oregon Revised Statutes.

Using the A+D contracting technique ensured that the Prime Contractor would have the knowledge, skills, and experience to successfully complete the complex OR58: Salt Creek Half Viaducts – Phase II project.

3 – Report

3-1: Project Costs

Table 1 – OR58: Salt Creek Half Viaducts – Phase II Project Costs

Description	Original Authorization	Final Cost	Variance Over/(Under)
Contract Bid Items	\$ 7,989,421.06	\$ 7,466,158.47	\$ (523,262.59)
Contract Change Orders	\$ -	\$ 215,328.21	\$ 215,328.21
Extra Work Orders	\$ -	\$ -	\$ -
State Force Orders	\$ 59,145.00	\$ 36,443.44	\$ (22,701.56)
Anticipated Items	\$ 48,500.00	\$ -	\$ (48,500.00)
Increased Authorization	\$ -	\$ -	\$ -
Contingency	\$ 279,629.74	\$ -	\$ (279,629.74)
Engineering	\$ 1,130,850.00	\$ 441,400.00	\$ (689,450.00)
Totals	\$ 9,507,545.80	\$ 8,159,330.12	\$ (1,348,215.68)

3-2: Contract Change Orders

There were 14 Contract Change Orders (CCO) issued for the project and the cost of the Contract Change Orders was 2.70% of the original Bid Item costs.

3-3: Extra Work Orders

There were no Extra Work Orders issued for the project.

3-4: State Force Orders

There were three State Force Order (SFO) issued for this project. These were for an electric generator and automatic transfer switch, ITS components, and a permanent electrical service hookup for the project.

4 – Conclusion

4-1 – Final Project Remarks

- Did the project deliver the high level of quality expected of a contractor team especially experienced in the work items and overall supervision of such a complex project?

The contractor selected under the A+D Best Value method for this project provided a highly qualified team of experienced bridge constructors and subcontractors particularly skilled in adapting their approach, means, and methods to this unique project. The contractor provided a high level of quality in delivering the project, which had several complexities and unique site conditions.

- Did the project meet schedule and budget with a minimum of modifications, in particular planning and schedule based?

The project was delivered without any highway closures and completed one construction season ahead of schedule and approximately 14% under project authorization.

- Did the contractor's submitted proposed technical approaches accurately reflect the approaches taken during construction to maintain schedule, budget, and other project goals?

In addition to reflecting the work as proposed, the Contractor was also able to realize opportunities to advance work at times.

- Did the contracting community generally accept use of best value contracting on this project and are they open to its future use on unusual projects highly dependent on Contractor skill and experience?

Informal discussions with the Contractor and other local bridge contractors indicated a high level support for this type of alternative contracting.

4-2: Lessons Learned

- Upfront analysis and discussion on determining the weighting of technical vs. price should consider the anticipated number of proposers. This project received two proposals. Due to the spread of the technical scoring, the pricing would not have changed the outcome unless there was at least a substantial difference.

Appendix 5-1

Approved Request

of

Exemption from Competitive Bidding Process



Oregon

John A. Kitzhaber, M.D., Governor

Department of Transportation
ODOT Procurement Office - Construction

455 Airport Rd. SE, Bldg. K

Salem, Oregon 97301-5348

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DATE: October 10, 2014

TO: Matthew L. Garrett, Director
Oregon Department of Transportation

FROM: Melissa L. Canfield, Chief Procurement Officer **/S/**
ODOT Procurement Office

SUBJECT: Final Competitive Bidding Requirement Findings of Fact Exemption Order # 2014-01
OR58 Salt Creek Viaducts Phase 2 Project
Key No. 19221
OR58 Mile Points 55.88 to 56.48
Lane County

In accordance with ORS 279C.335(2), this memo requests your approval of final Exemption # 2014-01 from low (competitive) bid contracting in order to use the Best-Value contracting method A plus D to construct the OR58 Salt Creek Viaducts Phase 2 project.

The OR58 Salt Creek Viaducts Phase 2 project is an ODOT Region 2 project that will include construction and quality and environmental management service to complete the unfinished bridge replacement work, roadway up-grades and the electrical upgrades from the phase I project. By employing the Best-Value A plus D approach, we anticipate significant direct cost savings of approximately \$172,000. The use of the Best-Value A plus D procurement method is expected to result in ODOT's selection of a construction contractor that has the following essential elements for successful project completion:

- A strong understanding of the partially complete Phase 1 project
- A strong and reliable technical approach for managing critical elements of the Project, including but not limited to a reliable and detailed approach to address the very challenging traffic staging
- A well-developed and realistic critical path schedule demonstrating Project completion by the Fall of 2015

Findings of Fact (FOF)

- Notice of Hearing advertisement dates: Published in the *Daily Journal of Commerce* on September 12, 2014 and the *Reed Business Information* on September 15, 2014, and was posted on ODOT Office of Project Letting's Alternative Contracting website: http://www.oregon.gov/ODOT/HWY/OPL/Pages/alt_contracting.aspx
- Findings of Fact public hearing date: September 26, 2014

- Public comments received on the draft Findings of Fact: No written or oral comments received
- Findings of Fact signature date by the Department of Justice (DOJ): October 8, 2014

Project Procurement Status

- Request for Proposals scheduled to be released: November 26, 2014
- Technical approach proposals scheduled to be received: January 9, 2015
- Public bid opening scheduled for: January 22, 2015
- Notice-to-Proceed schedule no later than: March 21, 2015

The enclosed "Findings of Fact and Order Supporting an Exemption from Competitive Bidding Requirements and the Use of the Best Value Contracting Method," was developed in conjunction with the Association of General Contractors. Your Signature on the enclosed ORDER OF DIRECTOR, located on page 16 of the Findings and Order, indicating your approval, will authorize the exemption.

Attachment: Findings of Fact Exemption Number 2014-01

cc: Paul Mather, ODOT Deputy Director for Highway
Tom Lauer, ODOT Technical Services Manager (w/FOF)
Rob Gebhardt, Assistant Attorney General, Department of Justice (w/FOF)
Karl Wieseke, ODOT Region 2 Project Manager (w/FOF)
Russell Swearingen, ODOT Office of Project Letting (w/FOF)

Oregon Department of Transportation

Exemption Number 2014-01

**FINDINGS AND ORDER
SUPPORTING AN EXEMPTION FROM COMPETITIVE BIDDING REQUIREMENTS
AND THE USE OF THE PRICE PLUS TECHNICAL APPROACH BEST VALUE
ALTERNATIVE CONTRACTING METHOD**

Before the Director of Transportation
of the State of Oregon

In the Matter of the Exemption Request by the)
Oregon Department of Transportation for the) FINDINGS OF FACT,
OR58: Salt Creek Viaducts, Phase 2 Project,) CONCLUSIONS AND ORDER
on OR58 located in Lane County)

ORS 279C.335(1) requires, with certain exceptions, that all public contracts be based on competitive bidding and, under ORS 279C.375, be awarded to the lowest responsive and responsible bidder. ORS 279C.335(2) permits the Director of Transportation to grant exemptions to the Oregon Department of Transportation (ODOT) from the requirement for competitive bidding upon the approval of specified findings. ORS 279C.330(1) defines “findings” as used in ORS 279C.350 and ORS 279C.330(2) defines “findings” as used in ORS 279C.335, and those statutes identify findings and specific information to be provided as part of the agency justification for the exemption. Under ORS 279C.335(5) a public hearing must be held before the findings are adopted, allowing an opportunity for interested parties to comment on the draft findings.

This request for exemption was advertised in the *Daily Journal of Commerce* on September 12, 2014 and *Reed Business Information* on September 15, 2014. It was also posted on the ODOT Office of Project Letting web site at:

http://www.oregon.gov/ODOT/HWY/OPL/Pages/alt_contracting.aspx

The hearing for review of these findings was held at 11:00 a.m., on Friday, September 26, 2014, at the Department of Transportation office at 644 'A' Street, Springfield, OR 97477-4609. There were no comments from the public, either oral or written, during this hearing or during the time for comments.

ORS 184.610 to 184.733 describes the Oregon Department of Transportation (ODOT) and the responsibilities of the Oregon Transportation Commission (OTC), the Director of Transportation and managers. ORS 366.400 authorizes ODOT to enter into all contracts deemed necessary for the construction, operation, maintenance, improvement, or betterment of highways. ORS 381.005 and 381.010 authorize ODOT to enter into contracts deemed necessary for the construction, reconstruction, operation and maintenance of bridges. ORS 279A.050(3)(b) provides ODOT with independent contracting authority for public improvement contracts relating to the operation, maintenance or construction of highways, bridges and other transportation facilities. ORS 366.505 describes the composition and use of the Highway Fund, including Federal funds.

FINDINGS OF FACT

A. BACKGROUND

1. Project Description: OR58: Salt Creek Viaducts, Phase 2 in Lane County (the "Project").

ODOT proposes to enter into an A plus D Best Value contract on or about March, 2015. The Project includes construction and quality and environmental management. The Project is located on OR58 between MP 55.88 and MP 56.48 20, miles east of Oakridge, Oregon. The individual project components listed below have been combined by the Agency into a single project and placed in the Statewide Transportation Improvement Plan (STIP).

The Salt Creek viaducts are all either structurally deficient and require replacing or are in need of barrier improvements to carry legal loads and meet current safety and operational standards while maintaining mobility along this route as a viable designated freight route and an alternative to Interstate 5. These improvements will result in increased safety for the traveling public. Through the A plus D Best Value alternative contracting and procurement method, ODOT will select and award a contract to the contractor that provides the best value in accomplishing the Project work while maintaining mobility.

The key goals of the best value contracting approach for this Project are to select a construction contractor with:

- A strong understanding of the partially complete Phase 1 project
- A strong and reliable technical approach for managing critical elements of the Project, including but not limited to a reliable and detailed approach to address the very challenging traffic staging
- A well-developed and realistic critical path schedule demonstrating Project completion by the Fall of 2015

The Project requires construction of the OR58: Salt Creek Viaducts, Phase 2 Project. Specific work items for each major Project element are noted below:

Project Component Name/ ODOT Bridge #	Mile Point	Work Scope
Bridge 07188 / Bridge 21567	55.98	- Construct new bridge - Modify electrical building - Construct new retaining wall
Bridge 07185 / Bridge 21568	56.23	- Construct new bridge
Bridge 21569	56.29	- Construct new bridge rail - Miscellaneous rehabilitation
Bridge 21570	56.32	- Construct new bridge rail - Miscellaneous rehabilitation

Oregon Department of Transportation

Along OR58 between bridges	55.88 to 56.48	<ul style="list-style-type: none">- Complete ITS work- Stormwater inlet and pipe- Electrical upgrades- Guardrail modifications- Moment slabs and barrier- Signing and striping
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The estimated value of the best value contract is \$3,500,000 to \$4,500,000. The Project will be funded with a combination of Federal Highway Administration (FHWA) and State of Oregon money.

The construction phase of the Project is anticipated to begin April 2015, with completion by October 2015. The work will include construction, environmental and quality management, contract administration and all necessary support services.

The work will be done in accordance with ODOT-approved geometric design standards, performance requirements, and specifications.

In its solicitation, ODOT may reserve the right to include additional related work within the general Project vicinity.

In 2012, ODOT awarded a two-year Design-Bid-Build (Low-Bid) contract for the Phase 1 project. In 2013, the project experienced significant delays and the contractor notified ODOT it would need a third construction season to complete the project. In February 2014, the contractor delivered a project schedule to ODOT showing completion of construction on November 4, 2014. ODOT had significant concerns whether the project could be completed in 2014, given fall and winter weather conditions and snow zone restrictions at the project elevation.

On March 24, 2014, ODOT formally suspended work on the project. ODOT took this step to protect and maintain the mobility of the OR 58 corridor, a major freight route where nearly 4,000 vehicles travel daily, and to ensure that an unfinished project did not leave the highway in a condition that restricted traffic.

Given the partially complete nature of the project, the complicated staging requirements for replacing the most westerly bridge (Bridge No. 21567) and the need for a well-developed plan (schedule) to ensure 2015 completion for the Phase 2 Project, ODOT selected the A plus D Best Value project delivery method which utilizes a price component and a Technical component scoring criteria that enables the selection of a contractor with the best combination of price and technical approach for managing the critical elements of the Project, such as maintaining mobility through this major freight corridor.

ODOT proposes to use the A plus D Best Value contracting solicitation process for the Project as a proposed alternative to the competitive bid process. In accordance with the applicable statutes and administrative rules, ODOT will use a selection process utilizing a one-step Request for Proposals (RFP) procurement as described in Section **A.3. Procurement Process** of this document.

Oregon Department of Transportation

The Project is being procured using the best value contracting method as described herein, for the reasons and considerations stated herein.

2. Agency Considerations: ODOT has been contracting for road improvement projects since 1914. ODOT's Construction Contracts Section contracts approximately 120 to 140 highway and bridge construction projects per year, at a cost of approximately \$300 to \$400 million.

The OTC is mandated to "encompass economic efficiency" (ORS 184.618), and therefore ODOT strives to continually improve its procurement and project delivery approaches. One of those improvements encompassing economic efficiency is appropriate use of the best value project delivery method of contracting.

ODOT performed an internal evaluation of the delivery goals and alternative contract delivery mechanisms for the Project. ODOT traditionally uses a low bid process, but has concluded that using that project delivery method entails an unacceptable risk that this Project will not be delivered in a timely manner and will not provide the local community with significant public participation in contracting opportunities. For the Project, ODOT reviewed other available procurement options that could provide maximized benefit to the public and determined that an alternative contracting process that considers key elements for project success beyond price is most appropriate for the Project.

For this Project ODOT has determined that the unfinished bridge replacement work, roadway upgrades and the electrical upgrades need to be completed to ensure viability of this important route for local, recreational and freight traffic. The tunnel rehabilitation and the replacement of two of the four bridges were completed during the Phase 1 project. Primary issues necessary to be addressed as part of the Phase 1 project and the Phase 2 Project include:

- The tunnel and bridges were originally constructed in 1939. The harsh winters and freeze/thaw cycles in the spring have resulted in significant deterioration
- The tunnel liner was leaking and the vertical clearance obstructs freight movement along OR58
- The bridges were structurally deficient and if not properly addressed would result in traffic restrictions along OR58
- Tunnel lighting, and electrical system and wiring require up-grading

ODOT proposes an alternative contracting process that addresses Project needs by evaluating components, which include the contractor's technical approach component, as well as price, and results in a "Best Value" selection. This procurement method encompasses the Oregon Legislature's focus on economic efficiency and stimulation and provides recognition of the value to the public of employing enhanced contracting methods which will accomplish the required work in the most effective manner.

The Best Value contracting process assigns weight to price as well as specified non-price factors that are important to the success of the Project, such as schedule, qualifications and technical approach. There are various contracting methods that may be used under the best value process, commonly referred to as "A + B", "A + C", or "A + D", with "A" referring to "Price" and "B" or "C" or "D" referring respectively to "Time",

Oregon Department of Transportation

“Qualifications”, or “Technical Approach” evaluation components. For this Project, ODOT proposes to use the form of best value that is expressed as “the A plus D” (also referred to as “A+D”), wherein the procurement process includes the evaluation of a Price component, (A element), and Technical approach component (D element). The Technical component covers how a proposer addresses important project features such as bridge staged construction, traffic staging and accommodations and overall completion. A contract is awarded to the contractor whose proposal is most advantageous to the owner, and gives the most quality per price.

The purpose for using the A plus D contracting method is to best meet Project requirements by using a knowledgeable and experienced contractor that will perform this highly technical and complex Project under a price proposal that will realistically deliver the best value project to the State. Some of the features of Best Value contracting beyond price are: reduction in contract time or time needed to achieve critical milestones; focus on the execution of complex technical aspects and planning for technical constraints; encouraging innovations; and integration of the locally affected and traveling public’s needs into the execution of projects. This method will reduce the potential for Project work delays, including the possibility of large cost overruns, and will encourage innovation and avoid or minimize adverse impacts to the environment, local communities and the traveling public.

ODOT has used best value, or A+, alternative contracting since 1997. This method allows the agency to consider factors besides price in selecting the contractor. For A+B, A+C or A+D, A refers to price and B, C or D refer respectively to other evaluation components that ODOT has determined to be key factors in meeting project objectives, such as contractor schedule, qualifications or technical approach.

ODOT has completed seven (7) projects using the best value contracting method:

Lift span Trunnion Replacement Project: Best value contracting in the form of A+C was used to obtain highly specialized manufacturing and construction services to replace the counterweight cable sheaves, shafts, bearings, and cable assemblies on the North tower of the historic, circa 1916, North Bound Interstate 5 crossing of the Columbia River (Bridge No. 1377A). The use of best value contracting method for this project resulted in fewer traffic and safety issues, with less adverse impact on local jurisdictions and businesses than would have been expected from a low bid process. The project was completed approximately two weeks earlier than the original schedule anticipated. The reduced construction time on this project was extremely beneficial to the traveling public by reducing delays. ODOT learned that quality can be sought and found through a competitive best value contracting method.

I-5 at Hwy 217 and Kruse Way New Ramp and Structure Project: Best Value contracting in the form of A+B was used to manage and mitigate complex traffic staging issues for a busy and high profile interchange by reducing the length the project to the least amount of time, while encouraging ingenuity, innovation and creativity by the contractor. The project was completed 438 days earlier than the planned 913 days, a 54 percent reduction and minimized traffic delays, saving approximately \$4,380,000 in road user costs. Project final cost was \$42.2 million, \$1.8 million lower than ODOT’s estimated project cost.

Oregon Department of Transportation

I-5 Medford Viaduct and Bridge Rehabilitation Project: Best Value contracting in the form of A+B was used to manage and mitigate complex traffic staging issues impacting 40% of local traffic traveling between North and South Medford interchanges. Utilization on the Component B allowed for the contractor to use innovative and creative methods to complete the critical bridge deck overlay, joint repair, bridge rails, median barrier, end panels and deck drains as quickly and as safely as possible. This project completed under budget by approximately \$322,619 or by 4.2 percent.

St. John's (Portland) Suspension Bridge Rehabilitation Project: Best Value contracting in the form of A+C was used to manage complex traffic staging issues, replace the deck and damaged suspender cables, replace the frozen truss bearing, and manage lead based paint waste on the historical and culturally-significant structure. The project was completed in summer 2005, and was profiled in the Oregonian newspaper as a highly successful project. The results of the St. John's Bridge Project led ODOT's Bridge and Contracts Sections to conclude that ODOT was in a far better position to work with the contractor than if the project had been low bid and that this method reduces the State's risks on critical projects.

OR99E: Martin Luther King Jr. Blvd Viaduct Replacement Project: Best Value contracting in the form of A+C+D was selected for this highly technical and complex project whose challenges include traffic staging and detours in an urban environment with high Average Daily Traffic and confined work space, shoring requirements on the MLK structure, unusual soil properties (wood waste, unconsolidated industrial fill), unique architectural finishes, demolition/construction over the main Union Pacific Railroad line, and noise and vibration considerations for businesses and neighborhoods in the area.

OR43 Willamette River Bridge Repair (Oregon City) Rehabilitation Project: Best Value contracting in the form of A+C+D was used to ensure successful completion of this historic bridge, specifically maintaining the bridge's historic significance and meeting contract environmental requirements and completion times. The bridge is listed on the National Register of Historic Places and consists of specialized construction and material. Construction required closure of the structure. The project finished three (3) months ahead of the final contract date of March 31, 2013. In addition, the reopening of the bridge to traffic was on-time after the 21-month closure.

US26 Dennis L. Edwards Tunnel Rehabilitation Project: Best Value contracting in the form of A+C+D was selected for this highly complex project whose challenges included significant technical, specialized and complex work approaches and required highly specialized expertise in tunnel lining rehabilitation and traffic staging. The consequences of relatively small errors in planning and accomplishing the work could especially extend the project timelines. The prime contractor was successful in moving traffic, including trucks, through the tunnel on a daily basis following the night time closures for construction. This success was due to a coordinated effort between the ODOT construction crew, the prime contractor and the flagging company including their traffic control supervisor. Project final cost was \$5.5 million; approximately \$4.6 million lower than ODOT's estimated project cost.

Oregon Department of Transportation

ODOT has one (1) project currently in construction using the Best Value contracting method:

I-84: Sandy River – Jordan Rd, Bundle 210 Bridge Replacement Project: Best Value contracting in the form of A+C+D was used to ensure a qualified contractor with experience working with constrained traffic control space, in-water work restrictions, and diverse subcontractors, and constructing a bridge with steel box girders and drilling eight (8) foot shafts with post-grouting, neither of which are commonly used in Oregon. Construction started in April 2010 and the current estimated project completion date is October 2014, one (1) month earlier than the contracted completion date. The prime contractor used an innovative approach in utilizing a gantry crane system to deliver bridge beams across the river. By setting the beams from above the river, the project team avoided the need for a work bridge and additional pilings in the river. This innovative change avoided debris backing up against work bridge pilings, which would have significantly increased flood levels and high water impacts to the local communities.

3. Procurement Process: This is a request to the Director of Transportation, on behalf of ODOT, for a contract-specific exemption from competitive bidding requirements. The exemption would allow ODOT to solicit proposals for the construction of the project described above using the best value contracting method through a one-step RFP procurement process. ODOT will use its standard Invitation to Bid procurement documents as a base, modified, in coordination with the Department of Justice, to be an RFP. An RFP will be issued for the Project and technical proposals must be submitted by a specified date. The proposals submitted will be required to contain a price proposal component (the A component) and a technical approach proposal component (the D component). The price component presents the total cost to ODOT for delivering the Project. The technical approach proposal will detail methods for successfully completing the Project relative to the complex work elements and achieving the mandated completion timeline as described in the Project RFP.

The technical approach proposal will be evaluated and scored by the proposal evaluation committee. This committee will consist of individuals from ODOT personnel, Key Stakeholders and ODOT third party consultant personnel. Other personnel may act as observers, technical support or facilitators during evaluation and scoring, but will act as non-scoring members during the scoring process.

Once the scoring of the technical proposal is completed, the price proposals will be publicly opened, the final scores calculated and initial determination of the apparent best value proposer announced. The final scores and ranking, and notice of intent to award, will be announced by ODOT in accordance with the procedures set forth in the RFP. Based on the final scores and ranking, the responsive and responsible proposer who provides the best value to ODOT will be selected for contract award and finalization of contract terms and conditions. In the event that, prior to contract execution, the selected best value proposer is found to be non-responsive or not responsible, or contract finalization proves unsuccessful, ODOT may, if it is in the public's best interest, select the proposer who offers the next best value for contract finalization and award.

Oregon Department of Transportation

The contract form to be used will be the standard ODOT Construction Contract form, modified to facilitate the "Price" plus "Technical Approach" (A plus D) components. Development of the modified contract will be coordinated with the Department of Justice.

B. FINDINGS REGARDING REQUIRED INFORMATION

ORS 279C.330(1) provides that as used in ORS 279C.350: "*Findings*" means the justification for a contracting agency conclusion that includes, but is not limited to, information regarding: (1) Operational, budget and financial data; (2) Public benefits; (3) Value Engineering; (4) Specialized expertise required; (5) Public safety; (6) Market conditions; (7) Technical complexity; and (8) Funding sources. ORS 279C.350 provides that, with respect to an exemption request for a specific public improvement contract, the Director of Transportation shall issue an order that sets forth findings supporting the decision to grant or deny the request for the exemption.

Many of these criteria support the use of the best value contracting process. This request for exemption is supported by the following:

1. Operational, Budget, and Financial Data: The Project was approved in the 2013-2015 Statewide Transportation Improvement Plan. The Project is anticipated to be funded with a combination of state and federal funding resources. ODOT considers completing the Project a high priority. The total Phase 2 Project construction cost is estimated to be approximately \$ 3,500,000 to \$4,500,000.

In ODOT's view, the best value method of contracting is the best available procurement method that allows this Project to begin in the next construction season and be completed on time, while ensuring that ODOT will not incur additional costs beyond those budgeted. This method stresses technical expertise and quality while minimizing construction time delays.

Best value contracting is a recognized mechanism for agencies to obtain more value for their money, not necessarily at the lowest original contract price, but over the life cycle of a project. Best value contracting is also a means of contracting for technically complex projects that require assurance of special knowledge or past experience or innovative approaches of a contractor.

Best value contracting will reduce ODOT's risk that the selected contractor might not be able to construct this Project within budget, technical and schedule constraints. A contractor with demonstrated qualifications and a sound approach will provide better overall value and should reduce change orders and overruns. As a result, cost savings to ODOT and the public are anticipated by using this method of contracting on the Project.

2. Public Benefits: The best value method focuses on project components that are most valuable to ODOT through the ability to evaluate proposers based on their technical approaches, and therefore contributes toward meeting project goals and schedule. Accelerating construction of OR58: Salt Creek Viaducts, Phase 2 involves replacement of the four (4) bridges. Two were essentially completed in Phase 1 and the other two will be completed by this Project. This Project meets the goals and objectives of the 1999 Oregon Highway Plan by improving safety and increasing both

Oregon Department of Transportation

the rate of traffic flow and the allowable load capacity along this portion of OR58. Completion of the Project will also benefit the public by supporting regional and statewide economies.

3. Value Engineering: Value Engineering (VE) is encouraged on all projects by ODOT and FHWA, and has resulted in both initial savings as well as long-term savings for other ODOT projects. VE is the systematic application of recognized techniques by multi-disciplined teams which identifies the function of a product or service, proves a worth for that function, generates alternatives through creative thinking, and provides the needed functions at the lowest overall cost.

VE studies may be conducted during one or more of the project development stages and during construction. VE has proven to be an effective tool for product value improvement and design enhancement and assisting ODOT in obtaining its goal of providing cost-effective projects and procedures, and improved productivity and efficiency. VE can be used in all aspects of transportation such as design, traffic operations, construction, maintenance, specifications, standard drawings, and planning.

ODOT screens all STIP projects based upon established criteria, to determine the need to do a formal VE study. Based on the results of ODOT's screening of this Project a VE study was not performed. Instead a Constructability Review was performed with three bridge contractors. In addition, the previous Phase 1 project was modified by a Contractor VE proposal to change to the use of precast bridge elements. The contractor that is awarded the contract for this Project will be completing unfinished work from the Phase 1 project and ODOT foresees little or no opportunity for cost savings from a VE for Phase 2 Project.

4. Specialized Expertise Required: By using the Best Value contracting method ODOT will ensure that the prospective prime contractor has the necessary understanding of the prior construction work and the specific construction and staging methodologies to successfully complete Project work elements within the allotted time. The Bidder's technical approach proposal is deemed highly important in ODOT's selection of a Best Value Contractor and ensuring the success of this Project.

This Project will require a variety of construction activities within this highly constrained site. The hillside on which OR58 is constructed limits material and equipment storage, access to Project features and means and methods that can feasibly be employed by the contractor.

One specific work element is the complicated staging at Bridge No. 21567. The sequence will include staged removal of the existing bridge and adjacent fill, construction of the new bridge in two stages and strengthening of and modifications to the electrical room under the bridge. During this staged work the OR58 road surface will be lowered by 18 inches to increase the vertical clearance through the tunnel as originally planned as part of Phase 1. All Project work must be completed during one (1) construction season.

The consequences of construction issues with staging, scheduling or quality will increase traffic impacts, direct costs and the likelihood of failing to meet the Fall 2015 completion deadline. It is imperative the construction contractor proactively develops

Oregon Department of Transportation

and completes a reliable approach plan for accomplishing the necessary interrelated work elements.

The Price plus Technical model emphasizes innovation in management and coordination, providing scheduling and estimating, assessing risk, managing mobility, public relations and safety and quality needs and providing a complete project that is sensitive to wide public participation by all in contracting opportunities. As is typical of Best Value contracts, the most qualified prime construction services are sought, rather than just simply contracting with the lowest bidder. In addition, specialized expertise and understanding is required to successfully address the public safety issues noted below.

Nine (9) Bidders submitted bids on the original Phase 1 low bid project. For this Phase 2 Project, bidders will need to demonstrate that they have the necessary understanding of the construction work completed under the Phase 1 project and the specific approaches to completing the complex and challenging work elements within the schedule constraint. The selected Best Value Bidder will be well qualified in efficient construction and staging methodologies and traffic management.

ODOT and the public will benefit by ODOT acquiring a contractor which has established experience and specialized expertise to manage and perform the work for this Project. A low bid process does not provide an opportunity for ODOT to obtain the most qualified and experienced contractor with the specialized expertise needed for the Project.

ODOT personnel and ODOT's legal counsel, Oregon DOJ, have gained the necessary expertise and knowledge in using the Best Value contracting method to successfully deliver multiple projects varying in scope, size, complexity, and within schedule and budget constraints.

For this Project ODOT's project team will consist of ODOT personnel, third party consultant personnel and Oregon DOJ legal counsel that have the necessary expertise and experience to develop the Best Value procurement and contract documents and process that ODOT will use to select the Best Value Bidder, negotiate and award the contract, and administer the contract.

5. Public Safety: Safe traffic flow must be maintained while construction proceeds. It is crucial that all work be coordinated between work sites to avoid unnecessary delay and safety risks to the traveling public, and to ensure efficiency in construction. A contractor with a strong approach to the challenging project elements will minimize additional traffic impacts. As described in Section **B.4. Specialized Expertise Required**, the most complicated staging and cause for delays for this project is at the Bridge No. 21567 work site. OR58 delays must be minimized to avoid unnecessary costs to freight and recreational traffic. Seamless execution of a thorough staging plan is necessary to address these concerns.

The selected contractor will perform and stage all Project work necessary so that the project can be safely occupied and used by the traveling public and motor freight during the duration of the Project.

Oregon Department of Transportation

The relationship between ODOT and the contractor will assure coordination of work within the Project site, resulting in mitigation of potential safety hazards to the traveling public.

6. Market Conditions: ODOT does not anticipate any measurable difference in market conditions if this Project is contracted under the traditional low bid or the Price plus qualifying and technical component best value method. As described in Section **A. BACKGROUND**, contractors have some experience with alternative contracting methods in Oregon and have become more accepting of alternative contracting processes, in particular when bidding technically complex projects with specialized needs, ensuring adequate competition.

The Governor and the Legislature have encouraged ODOT to contract projects quickly to take advantage of lower construction prices in the current market, and to improve employment. Economic studies have shown that highway construction projects nationally create between 30 and 40 jobs per million dollars spent.

7. Technical Complexity: To be successful in completing this Project the contractor must be able to develop and execute an accurate work plan for completing the staged construction of Bridge No. 21567 as noted in Section **B.4. Specialized Expertise Required**. The construction schedule will be best achieved by a contractor who comes into the Project with a strong understanding of the Phase 1 project and its partially completed state. The consequences of relatively small errors in planning, construction and staging work, and problems with addressing the partially completed work elements have the potential to delay the Project work, miss the completion deadline and produce additional cost overruns. The Project's work activities present a complex technical challenge to the construction contractor and ODOT.

8. Funding Sources: As mentioned earlier, this Project is anticipated to be funded with state and federal funds, the use of which has been approved by the Oregon Transportation Commission.

C. FINDINGS ADDRESSING COMPETITION

ORS 279C.335(2) also requires that a public agency make certain findings as a part of exempting public improvement contracts or classes of public improvement contracts from competitive bidding requirements. ORS 279C.335(2)(a) requires an agency to find that: The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts. It is anticipated that competition for the Project's contract will be similar to that expected in other large ODOT highway and bridge projects. ODOT finds that selecting a best value contractor through the best value alternative contracting method will not inhibit competition or encourage favoritism. This finding is supported by the following:

As outlined below, ODOT anticipates that competition may be similar to that experienced in other ODOT projects. ODOT has early indications of interest and intent to participate in this procurement, and ODOT processes for procurement of a best value contractor have been developed with maintenance of competition in mind.

1. The competition remains open to all qualifying proposers. The contracting community is aware of ODOT's use of alternative contracting processes and success

Oregon Department of Transportation

with contractors on similar past projects. ODOT expects that with this experience, normal competition will prevail. Based on the level of contractor participation for previous alternative contracting projects, ODOT anticipates approximately three (3) to five (5) contractors will submit proposals in response to the RFP.

2. ODOT, through direct contacts and at scheduled ODOT/Associated General Contractors meetings, has been communicating regularly with the construction contracting community about best value contracting and other non-traditional contracting methods.

3. The Price plus Technical Approach evaluation and selection process ODOT intends to employ is summarized in Section **A.3. Procurement Process**. The process is open, impartial, and proposers will be evaluated equally based on criteria that is reflective of the significant work elements of this type of project. Selection will be made on the basis of final proposal scores derived from a price component and technical proposal component that includes technical approach elements as described in **Section A.3, Procurement Process**. This method expands the grounds of competition in the evaluation process beyond price alone to include technical approach, and timely completion of previous work to deliver the best value project to the State.

4. Pursuant to ORS 279C.360, the Project will be advertised in the *Daily Journal of Commerce* and *Reed Business Information* and posted on ODOT's Electronic Bidding Information Distribution System (eBIDS) web site at:

<https://ecm.odot.state.or.us/cf/EBIDS/>

5. The objective of using the Price plus Technical best value contracting method is to select the construction contractor most likely to successfully deliver this difficult Project, with a very effective execution of the staged construction, effective management of very challenging traffic staging, and a maximum degree of safety to the public as it travels through the Project area, and timely completion to the work while ensuring a competitive price.

D. FINDINGS REGARDING SUBSTANTIAL COST SAVINGS AND OTHER SUBSTANTIAL BENEFITS

ORS 279C.335(2) also requires that a public agency make certain findings as part of exempting public improvement contracts or classes of public improvement contracts from competitive bidding. ORS 279C.335(2)(b) requires an agency to find that: *Awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the contracting agency or, if the contract is for a public improvement described in ORS 279A.050(3)(b) [such as this Project], to the contracting agency or to the public.* These findings therefore consider whether cost savings accrue directly to ODOT as the contracting agency or indirectly to the general public (particularly for highway users). ODOT finds that on the Project substantial cost savings will accrue to ODOT and the general public.

This finding is supported by the following:

1. **Direct Contract Savings:** In general, initial contract prices are expected to be comparable between A plus D best value and conventional contracting methodologies,

Oregon Department of Transportation

but great confidence in completion of the complex work and timely overall completion can be reasonably anticipated. Through A plus D alternative contracting ODOT will select the bidder who is most capable of handling specialized work identified for this Project based on the comprehensive set of tasks and cost presented in the bid packages, which will become part of the contract. Cost saving will be realized in the reduction of change orders, inspections, and potential claims. The current estimated cost of this Project is between \$3,500,000 and \$4,500,000. ODOT uses an inflation rate of 4.3% when estimating Project costs. ODOT will save approximately \$14,300 in inflation for each month the Project is not delayed. Project-related delays totaling one year could cost ODOT approximately \$172,000.

2. Indirect Savings: Indirect savings are real and recognizable by the public and for this Project. By awarding to a contractor who can realistically meet ODOT's technical approach, safety, quality and schedule expectations, the State and the contractor jointly save the traveling public significant inconvenience due to traffic delays, detours and slower posted speeds. ODOT uses these factors, based on our experiences with other projects, to judge impacts of construction on road users. The OR58 traffic volumes are fairly consistent throughout the year accommodating freight traffic and summer and winter recreational traffic. ODOT estimates that it can avoid an estimated road user cost for traffic of \$17,000 per month by avoiding extension of construction completion beyond the original contract completion date. In addition, the potential exists for a contractor to complete the work early, ultimately saving detour costs to the traveling public.

3. Total Expected Savings: The competitive nature of selecting a best value contractor will maximize total expected savings to ODOT for the Project. There is an estimated savings to ODOT and the public by not delaying the scheduled Project completion date. The total minimum estimated monthly savings, based on the direct and indirect savings described above, is expected to exceed \$31,000 by ODOT selecting a contractor that has the experience and most efficient technical approach and schedule in completing the work within the constrained timelines for this Project.

E. ADDITIONAL CONSIDERATIONS UNDER ORS 279C.335(2)

In approving a finding under ORS 279C.335(2), the Director of Transportation must consider the type, cost and amount of the contract (see Sections **A**, **B** and **D** above and the responses to the considerations below) and must also consider the following to the extent applicable to this particular public improvement contract:

1. How many persons are available to propose. See Section **C.1** above.
2. The construction budget and the projected operating costs for the completed public improvement. See Section **B.1** above.
3. Public benefits that may result from granting the exemption. See Section **B.2** above.
4. Whether value engineering techniques may decrease the cost of the public improvement. See Section **B.3** above.

Oregon Department of Transportation

5. The cost and availability of specialized expertise that is necessary for the public improvement. See Section **B.4** above.
6. Any likely increases in public safety. See Section **B.5** above.
7. Whether granting the exemption may reduce the risks to the contracting agency or the public that are related to the public improvement. See Sections **A.2**, **B.1**, **B.4** and **B.5** above.
8. Whether granting the exemption will affect the sources of funding for the public improvement. See Section **B.1** above.
9. Whether granting the exemption will better enable the contracting agency to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement. See Section **B.6** above.
10. Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement. See Section **B.4** and **B.7** above.
11. Whether the public improvement involves new construction or renovates or remodels an existing structure. See Section **A.1** above.
12. Whether the public improvement will be occupied or unoccupied during construction. See Section **B.5** above.
13. Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions. See Section **A.1** above.
14. Whether the contracting agency has, or has retained under contract, and will use contracting agency personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the contracting agency will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract. See Section **B.4** above.

F. Post-Project Evaluation Process: This Project will be evaluated in accordance with the requirements of ORS 279C.355, including analysis of project cost and savings. In addition to the matters to be evaluated under ORS 279C.355(2), the Price plus Technical Approach best value contracting method will be evaluated based upon the accomplishment of ODOT's primary objectives as noted below:

- Achieve Project completion date, including mobility impact restrictions per the successful contractor's detailed construction schedule included in their technical proposal.
- Execute staging construction of Bridge No. 21567 according to final plans and specifications and per the successful contractor's detailed plan and schedule included in their technical proposal.
- Meet Project budget and minimize modifications based on a final analysis of change orders.

CONCLUSIONS OF LAW

An exemption from competitive bidding requirements is justified under the criteria outlined in ORS 279C.330 (and the additional considerations under ORS 279C.335(2)), findings have been developed in compliance with ORS 279C.350 and ORS 279C.335(2) through 279C.335(4), and ODOT will perform the post-project evaluation required by ORS 279C.355. Based upon the previously listed findings, ODOT concludes that:

1. Following the described selection process, an exemption is unlikely to encourage favoritism in the awarding of public improvement contracts or substantially diminish competition for public improvement contracts; and
2. Award of a public improvement contract pursuant to the exemption will likely result in substantial cost savings and other substantial benefits to ODOT and the public.

Oregon Department of Transportation

ORDER OF DIRECTOR

An exemption from public competitive bidding requirements is hereby granted to the Oregon Department of Transportation to enter into a public improvement contract utilizing the best value alternative contracting method as described in the preceding findings. This order is subject to the following conditions:

1. To the extent possible, and consistent with this exemption, this procurement will follow the provisions of ORS Chapter 279A and 279C; ORS Chapter 291; OAR Chapter 731, Division 5 (ODOT Public Contract Rules), Division 7 (ODOT Alternative Contracting Methods), and to the extent applicable, OAR 137-049-0620 and 0630 (DOJ Model Rules modified in response to SB 254).
2. ODOT, in concert with the Department of Justice (DOJ), shall establish and follow standards for evaluating proposals under this procurement.
3. ODOT shall work with DOJ to adapt standard contract language for the contract, and shall incorporate into the contract such additional or substitute additional terms that DOJ may determine to be necessary for compliance with Oregon law and other applicable law.

THE FINDINGS OF FACT SUBMITTED IN SUPPORT OF THIS REQUEST ARE HEREBY APPROVED

/s/

Mark Garrett, Director of Oregon Department of Transportation

10/20/2014

Date

REVIEWED BY THE DEPARTMENT OF JUSTICE

Rob Gebhardt, Sr, AAG by email dated October 8, 2014

Rob Gebhardt, Sr. Assistant Attorney General

NA

Appendix 5-2

Contract Provisions for A+D Bidding

**OR58: Salt Creek Half Viaducts –
Phase 2 Grading, Structures, Paving**

**SECTION 00110 - ORGANIZATION, CONVENTIONS,
ABBREVIATIONS AND DEFINITIONS**

Comply with Section 00110 of the Standard Specifications modified as follows:

00110.10 Abbreviations - Replace the “APA” abbreviation with the following abbreviation:

APA - Engineered Wood Association

Delete the “ARA - American Railway Association” abbreviation. Replace

the “AREA” abbreviation with the following abbreviation:

AREMA - American Railway Engineering and Maintenance of Right-of-Way
Association

Replace the “AWPA” abbreviation with the following abbreviation:

AWPA - American Wood Protection Association

Replace the “DSL” abbreviation with the following abbreviation:

DSL - Department of State Lands, State of Oregon

00110.20 Definitions – Add the following definitions:

Proposal – A Proposer’s written response to a Request for Proposals.

Proposer – An Entity that submits a Proposal in response to a Request for Proposals.

Request for Proposals – All documents, whether attached or incorporated by reference, used for soliciting Proposals.

Replace the “Traveled Way” definition with the following definition:

Traveled Way - That part of the Highway for moving vehicles, exclusive of berms and Shoulders.

SECTION 00120 - BIDDING REQUIREMENTS AND PROCEDURES

Comply with Section 00120 of the Standard Specifications modified as follows:

00120.00 Prequalification of Bidders - Replace this subsection, except for the subsection number and title, with the following:

The Oregon Department of Transportation (ODOT) will prequalify Bidders according to OAR 734-010 and OAR 731-005-0450. A Bidder must file for prequalification and pay a fee. Prequalification must be renewed annually. Bidders shall make application for prequalification on standard forms furnished by ODOT's Procurement Office - Construction Contracts Unit, 455 Airport Road SE, Building K, Salem, Oregon 97301-5348 (telephone

OR58: Salt Creek Half Viaducts – Phase 2 Grading, Structures, Paving

503-986-2710). Bidders shall return the completed application and fee to the ODOT Procurement Office - Construction Contracts Unit.

Contracts will only be awarded to Bidders who, at the time of Bid Opening, are prequalified in the Class or Classes of Work specified in the Special Provisions, except that a Bidder whose prequalification has been revoked or revised as provided in ORS 279C.430(4) may also be eligible for Award under that statute if the Project was advertised prior to the revocation or revision. The Agency will consider a Bid from a Bidder whose complete application for prequalification has been received by the ODOT Procurement Office - Construction Contracts Unit at least 10 Calendar Days before the opening of Bids. Bidders shall submit Bids in the same company name used on the prequalification application; provided however, if Bidder's legal name has changed since the submittal of its application for prequalification, it shall submit its Bid under its current legal name with the former name referenced by "formerly known as".

The Agency will regularly evaluate the performance of Contractors on its projects for purposes of responding to reference checks, future prequalification and determinations of responsibility.

0012.01 General Bidding Requirements – Replace the paragraph that begins “Bidders may obtain...” with the following:

Bidders may obtain and submit the price component part of the Bid Booklet by paper, through the internet (electronic), or both. If both a paper and an electronic price component part of the Bid Booklet are submitted for this project, the paper price Bid will prevail.

The Bid guaranty required under Section 00120.40(e) shall be submitted with the price Bid.

Bidders may obtain and submit the technical component part of the Bid Booklet by paper only.

Add the following subsection:

00120.02 Price Plus Technical - This Project will be awarded using the "Price plus Technical Approach" method of Bidding (also known as A plus D Bidding and Best Value Contracting).

This method takes into account the price offered and the technical approach information submitted to accomplish this difficult and complex work. The Bidder specifies a price amount for the work (price component part – A component) and provides required information and documentation regarding the technical component part (technical approach - D component). The score used for Award consideration is based on the combined best value total score of the price component score (A component) and the technical component score (D component). The price component score and technical component score together comprise the Project Bid. (See Sections 00125 and 00130).

This Project has been exempted from competitive bidding requirements according to an exemption granted under Oregon law by the Oregon Director of Transportation: ODOT Exemption Number 2014-01. Because this Project is not subject to competitive bidding requirements, and due to the “Price plus Technical Approach” method of contracting used for this Project, the solicitation for this Project is in the nature of a Request for Proposals.

**OR58: Salt Creek Half Viaducts –
Phase 2 Grading, Structures, Paving**

Therefore, in the Standard Specifications, Supplemental Standard Specifications, if any, Special Provisions, Solicitation Documents and other provisions, requirements and documents for this Project, references to the terms "Bid", "Bids", "Bidder" and "Bidders" shall be deemed respectively to be references to, and to have the meaning of, the terms "Proposal", "Proposals", "Proposer" and "Proposers".

00120.05 Request for Solicitation Documents - Replace this subsection, with the following subsection:

00120.05 Request for Plans, Special Provisions, and Bid Booklets:

(a) Informational Plans and Special Provisions - Informational Project Plans and Special Provisions are available, free of charge, on the ODOT Electronic Bidding Information Distribution System (eBIDS) web site identified in the Notice to Contractors available on the ODOT Procurement Office - Construction Contracts Unit web site or may be purchased at the ODOT Procurement Office - Construction Contracts Unit, 455 Airport Road SE, Building K, Salem, Oregon 97301-5348 (telephone 503-986-2710).

(b) Bidding Plans, Special Provisions, and Bid Booklets - Bidders may obtain and submit either paper Bids or electronic Bids.

(1) Paper Bids - Bidders choosing to submit paper bids shall purchase Plans, Special Provisions, and Bid Booklets from the ODOT Procurement Office - Construction Contracts Unit or download them for free from ODOT eBIDS web site. Bidders obtaining Plans, Special Provisions, and Bid Booklets from these two sources must register on ODOT's list of "Holders of Bidding Plans". Bids will only be accepted from Bidders registered as "Holders of Bidding Plans".

(2) Electronic Bids - Bidders choosing to submit electronic Bids shall use the computer-generated electronic price component part Bid Booklet from the BidExpress® web site. In addition, Bidders shall purchase Plans, Special Provisions, and technical component part Bid Booklet from the ODOT Procurement Office - Construction Contracts Unit or download them for free from ODOT eBIDS web site. Bidders obtaining Plans and Special Provisions from these two sources must register on ODOT's list of "Holders of Bidding Plans". Bids submitted through BidExpress® will only be accepted from Bidders registered as "Holders of Bidding Plans".

The Plans, which are applicable to the Work to be performed under the Contract, bear title and date as follows:

"Grading, Structures, Paving & Electrical
OR58: Salt Creek Half Viaducts – Phase 2
Willamette Highway
Lane County
January 2015"

00120.10 Bid Booklet - Replace the lead-in sentence that begins "The Bid Booklet..." with the following:

OR58: Salt Creek Half Viaducts – Phase 2 Grading, Structures, Paving

The Bid Booklet will be in two separately-bound parts, the “Price Component Part” and the “Technical Component Part”. The price component part may include, but is not limited to:

Add the following subsection:

00120.11 Technical Component Part – The technical component part of the Bid Booklet (available in paper form only) may include, but is not limited to:

- Description of Work
- Time, date, and location for opening Bids
- Criteria Table
- Key Individual Reference Form

00120.40(a-1) Paper Bids - Replace this subsection, except subsection number and title, with the following:

For Bids submitted by paper, obtained from either ODOT Procurement Office - Construction Contracts Unit or ODOT eBIDS, the Bidders shall not alter, in any manner, the paper documents within the Bid Section. Bid Sections from BidExpress® shall not be substituted for paper Bid Sections. Bidders shall complete the certifications and statements included in the Bid Section of the Bid Booklet according to the instructions. Signature of the Bidder’s authorized representative thereon constitutes the Bidder's confirmation of and agreement to all certifications and statements contained in the paper Bid Booklet. Entries on the paper documents in the Bid Section shall be in ink or typed. Signatures and initials shall be in ink, except for changes submitted by facsimile (FAX) transmission as provided by 00120.60 (in which case FAX signatures shall be considered originals).

Prepare the Bid in two separate component parts for this Project.

The first part is identified as the price component. When the Bid is assembled for submittal, properly complete and bind all documents in the price component part, as designated in Section 00120.10, between the front and back covers of the Bid Booklet labeled “Price Bid Booklet”, except the Bid Bond is not required if another type of bid guaranty is given (see Section 00120.40(e)). Place in the envelope marked “Price Component Part”.

The second part is identified as the technical component, and requires responses to the criteria identified in Section 00125.20 and completion of Agency supplied forms. Assemble the forms, documents and supporting materials for the technical component part into a packet marked “Technical Component Part”. One copy of the complete technical component part marked “Original” is required. The complete technical component part may be placed in a box with the “Technical Component Part” envelope attached. Additionally, eight copies of the technical component part are to be marked “copy” and submitted with the original. Also, provide one copy of the technical component in a .PDF file on a electronic file transfer device (i.e. CD or DVD) marked with the firm’s name and “Technical Component Part - OR58: Salt Creek Half Viaducts - Phase 2”.

00120.40(a-2) Electronic Bids - Replace the sentence that begins “Bidders shall complete” with the following:
Bidders shall complete the certifications and statements included in the Bid Section of the

**OR58: Salt Creek Half Viaducts –
Phase 2 Grading, Structures, Paving**

electronic price component part of the Bid Booklet according to the instructions.

Add the following to the end of this subsection:

Electronic Bids for the technical component part of the Bid Booklet will not be accepted. The Bidder shall prepare the technical component part of the Bid Booklet according to 00120.40(a-1)

00120.40(b) Bidding Considerations - Add the following bullets to the bullet list:

- 00170.07, Record Requirements
- 00199.30, Claims Procedure

00120.40(f) Disclosure of First-Tier Subcontractors - Delete this subsection in its entirety.

00120.45(a) Paper Bids - Replace this subsection, except for number and title, with the following:

Paper Bids, consisting of the price component part and the technical component part, may be submitted by mail or parcel delivery service to the offices and addresses, and at the times given in the price Bid Booklet. Use the sealed envelopes provided by the Agency or reasonably similar envelopes marked with the words “Price component” for the price component part and “Technical component” for the technical component part. On the outside of each envelope, print the name of the Project and the words “To Be Opened Only by Authorized Personnel”. If a delivery or courier service is used, place the Bid envelopes inside the delivery or courier service’s envelope or box. Ensure the information required above is not obstructed by the courier's shipping document or markings. The paper Bids for the technical component part must be received at the address given in the technical Bid Booklet at or before 4:00:00 p.m. on January 8, 2015. The price component part must be received at the address given in the price Bid Booklet at or before 9:00:00 a.m. on January 29, 2015.

Paper Bids submitted after the times set for receiving paper Bids, or paper Bids that do not consist of both parts, the price component and the technical component, will not be considered.

Only the technical component part received at or before 4:00:00 p.m. on January 8, 2015, will be passed to the Technical Evaluation Committee. The Agency will use this information to score the technical components according to Section 00125. The Agency assumes no responsibility for the receipt and return of late Bids.

00120.45(b) Electronic Bids- Replace this subsection, except for number and title, with the following:

Price component Bids submitted electronically shall be submitted using the latest version of TrnsPort Expedite® Bid and shall be submitted using the Bid Express® website. Closing time for acceptance of electronic price component Bids is 9:00:00 a.m. on January 29, 2015. ODOT and Bid Express® will not accept any price Bids submitted after that time.

OR58: Salt Creek Half Viaducts – Phase 2 Grading, Structures, Paving

Submit the technical component part of the Bid Booklet according to Section 00120.45(a).

00120.60(a) Paper Bids - In the paragraph that begins "Information entered into...", replace the words "Procurement Office - Construction" with the words "Procurement Office - Construction Contracts Unit" and replace the bullet that reads "The Bid number is included: and" with the word "and".

In the paragraph that begins "A Bidder may withdraw...", replace the words "Procurement Office - Construction" with the words "Procurement Office - Construction Contracts Unit" and replace the bullet that begins "The written withdrawal..." with the following bullet:

- The written withdrawal request is submitted on the Bidder's letterhead, either in person or by FAX, and;

00120.60(b) Electronic Bids - In the paragraph that begins "Any request for..." replace the three bullets with the following three bullets:

- The written withdrawal request is submitted on the Bidder's letterhead, either in person or by FAX;
- The request is signed by an individual who is authorized to sign the Bid, and proof of authorization to sign the Bid accompanies the withdrawal request; and
- The request is received at the ODOT Procurement Office - Construction Contracts Unit, 455 Airport Road SE, Building K, Salem, Oregon 97301-5348, before 9:00:00 a.m. on the day of Bid Closing.

00120.65 Opening and Comparing Bids - Replace this subsection, except for number and title, with the following:

Price component Bids will be opened and the total price for each price component Bid will be read publicly at 9:00:00 a.m. on January 22, 2015. Bidders and other interested parties are invited to be present.

The technical component scores will also be read publicly immediately after reading of the price component Bids. Once all price component Bids have been opened and read, the price component Bids will be scored using the formula set forth in 00125.10. The price component score will be added to the technical component score and a final preliminary total best value score will be obtained and announced. The final preliminary total best value score will be used to determine the successful Bidder and award will be made subject to all the requirements herein and the concurrence of the Oregon Transportation Commission.

The technical component part of the Bid Booklet will not be publicly opened. The Technical Evaluation Committee (see 00125.30) will score the technical component part using the criteria set forth in Section 00125. The scoring will be completed by the committee members prior to the date and time set for the Bid Opening.

All preliminary scores will be published by the close of business on the next working day. All scores become final upon publishing intent to award.

00120.70 Rejection of Nonresponsive Bids - Replace the bullet that begins "The Bid is submitted on documents..." with the following two bullets:

OR58: Salt Creek Half Viaducts – Phase 2 Grading, Structures, Paving

- The Bid or Bid modifications are not signed by a person authorized to submit Bids or modify Bids, as required by 00120.01.
- The Bid is submitted on documents not obtained directly from the ODOT Procurement Office - Construction Contracts Unit, downloaded from ODOT eBIDS web site, or is submitted by a Bidder who is not registered on ODOT's "Holders of Bidding Plans" list, as required by 00120.05.

Add the following bullets to the end of the bullet list:

- The Agency determines that any Pay Item is significantly unbalanced to the potential detriment of the Agency.
- Bid does not contain both a price component Bid and a technical component Bid

00120.91 Rejection of Bid on Grounds of Nonresponsibility of Bidder - Replace this subsection, except for the subsection number and title, with the following:

The Bid of a Bidder who is found to be nonresponsible according to the criteria listed in 00130.10 or ORS 279C.375(3) will be rejected.

00120.95 Opportunity for Cooperative Arrangement - Replace this subsection with the following subsection:

00120.95 Opportunity for Partnering Agreement - The Agency will offer the Contractor and its Subcontractors an opportunity to enter into a partnering agreement structured to take advantage of the strengths of each organization. The objective of the partnering agreement is the effective and efficient completion of the Work, on time and to a standard of quality that will be a source of pride to both the Agency and the Contractor. Participation in the program is voluntary and is not a condition for Award. An offer to participate should not be included in Bid or Proposal materials. An election for a partnering agreement will be included with the Contract Documents to be executed by the successful Bidder.

It is intended that the partnering agreement will result in informal agreements that will allow the Contract requirements to be achieved effectively and efficiently by both the Contractor and the Agency.

The Agency will make all arrangements for the orientation workshop and will bear the costs of the workshop including meals, facilitator, and workshop materials. The Agency and the Contractor will bear the salary, transportation, lodging, and other costs of their own personnel. The orientation workshop may include key Agency personnel, other stakeholders, key Contractor personnel and key Subcontractor personnel. Generally, workshops are limited to about 20 participants. Participants will not be available for other duties during this period.

**OR58: Salt Creek Half Viaducts –
Phase 2 Grading, Structures, Paving**

SECTION 00125 - SCORING OF BIDS

Section 00125 which is not a Standard Specification is included for this Project by Special Provision.

00125.00 Scope - This Project will be awarded to the Bidder who meets the requirements of Section 00120 and receives the highest total Bid score, comprised of the combined price component score and technical component score based on the criteria contained in this Section.

00125.01 Submittal Limitations – The technical component part shall be prepared simply and economically, providing a straightforward, concise description of the Bidder’s capabilities to satisfy the requirements outlined in this Section. The maximum page limitation for the technical component is 30 pages. This page count excludes the project work schedule required in 00125.20 criterion D-1(a), and references and resumes required in 00125.20 criterion D-4(a). Any material submitted in pages that exceed the maximum page count will not be considered in the evaluation and scoring process.

For portions of Bids for which no forms have been provided, Bidders shall use 8.5” x 11” white paper with a minimum of 12 point black font and a footer including the page number of each page. The Agency will allow exceptions to the font size for graphics, charts and headers and footers, and for the paper size of the Bidder’s proposed schedule. Submission of technical literature, display charts, or other supplemental materials are the responsibility and within the discretion of the Bidder. The submission of general promotional material is discouraged.

All projects submitted by the Bidder for review by the Technical Evaluation Committee in response to Section 00125.20 criterion D-4(a) (key individuals) shall have been completed after January 1, 2004. Projects that are not complete, but where the qualifying Work is complete will be considered. ODOT provides a “Second Notification” document which establishes the project as substantially complete. Projects submitted for owners other than ODOT require equivalent documentation to have been issued by the project owner.

00125.02 Technical Component - Using Agency-supplied forms and Bidder-provided documents, submit the technical component for the criteria listed in 00125.20. Bidders shall submit documents required below. The technical component will be scored on content, substance, conformance, clarity and completeness. Missing or incomplete technical components will be reviewed and scored accordingly.

Project Key Individuals are the Contractor’s Project manager and Project Superintendent as identified in 00125.20 criterion D-4(a). Each Key Individual shall have experience on projects of similar size, type of work, and complexity as this Project. Clearly identify the role the individual had on each reference project and their role on this Project. Key Individuals shall be available on the Project site within 24 hours from notification given by the Engineer. Submit only one individual for each position.

Once awarded the Contract, the Bidder shall ensure all identified Key Individuals are available to fulfill the duties of the above-identified positions for the Project. Identified Key Individuals shall devote all efforts, and be available at all times and at all places necessary

**OR58: Salt Creek Half Viaducts –
Phase 2 Grading, Structures, Paving
& Electrical**

or required under the Contract to fulfill all Contract obligations within required timeframes. No changes in or substitutions of the identified Key Individuals shall be allowed without prior written consent of the Agency.

No technical component will be rejected or disqualified for not having all information submitted. However, missing information or blank forms will receive zero points.

00125.05 Best Value Selection – Best value is a selection method utilizing both price and quality evaluation factors. Relative weighting percentages are allocated to the price and technical component scores to determine the apparent best value Bidder.

The relative weights allocated to the price and the technical component scores for this Project, to be used in calculating the apparent best value score, are as follows:

$$\begin{aligned} \text{Price component weight} &= 50 \% \\ \text{Technical component weight} &= 50 \% \end{aligned}$$

00125.10 Price Scoring System - The following formula will be used to determine the price factor for the price component. The price factor will be used in the total score formula to determine the best value Bidder as described in 00125.40.

$$\text{Price factor (Pf)} = \text{Lowest Bidder's Price} \div \text{Individual Bidder's Price}$$

00125.20 Technical Component Scoring System – The following five response categories with corresponding criteria will be used to score the technical component Bid to determine which Proposal is most advantageous to the Agency and the general public, as provided by ODOT Exemption Number 2014-01.

Response Category D-1: Project Work Schedule

Criterion	Value
a. Provide a Type “B” project work schedule meeting the requirements of 00180.41(b-2). Use of 11” x 17” pages is acceptable. The Project Schedule shall not alter the completion dates shown in 00180.50(h)	10
b. Identify and describe the most critical work elements to achieve the completion deadline. Explain the steps necessary to mitigate the risk of these elements delaying project completion.	5
c. The starting and ending dates for on-site work on this project are weather dependent. Present strategies for dealing with the variable timeframe available, approaches to building float into the schedule and how these work together to achieve overall project completion in 2015.	5

Response Category D-2: Work Zone Traffic Control

**OR58: Salt Creek Half Viaducts –
Phase 2 Grading, Structures, Paving
& Electrical**

Criterion	Value
a. Identify and describe the most critical elements of the Agency's traffic control design. Explain any adjustments you would recommend to the staging plan. Explain the benefits of the proposed adjustments (if any).	10
b. The Agency wants to minimize the number of limited duration full closures according to Section 00220. Present the maximum number of such closures necessary to complete this project. Describe what activities will be completed during each closure.	6
c. The Agency wants to minimize the total number of limited duration full closures per Section 00220 on consecutive nights. Present the maximum number of such closures necessary to complete this project. Describe what activities will be completed during each consecutive night closure.	6
d. Explain how you will coordinate highway closures with ODOT and MCTD. Explain how you will communicate changes to the closure schedule or vehicle restrictions, including communicating with effected local stakeholders.	4
e. Detail your plan to ensure receiving immediate communication from emergency service providers, and to allow immediate and swift passage for emergency service providers through the work zone.	4

Response Category D-3: Risk Management

Criterion	Value
a. Explain your understanding of the Phase 1 project, and its partially completed status. Identify risks you see and present your approach to mitigating these risks.	7
b. Explain your approach to minimizing risks to the environment including on-site hazardous materials, existing historic resources and natural resources.	3

**OR58: Salt Creek Half Viaducts –
Phase 2 Grading, Structures, Paving
& Electrical**

Response Category D-4: Project-Specific Resources

Criterion	Value
<p>a. Identify your Project Manager and Project Superintendent (Key Individuals). Provide three (3) unique references for different projects for each Key Individual. Use the provided form. Any reference not submitted on the provided form will not be considered.</p> <p>Submit a résumé for each Key Individual.</p>	10
<p>b. Provide a Subcontracting Plan. Identify critical subcontractors and present their three (3) most relevant projects. One subcontractor presented must be the electrical subcontractor.</p>	5

Response Category D-5: Means and Methods

Criterion	Value
<p>a. Describe your approach to project management and working with the Agency to successfully complete this project.</p>	5
<p>b. Detail sequencing of BR21567 as it relates to:</p> <ul style="list-style-type: none"> • accommodating traffic • staging vehicles through the tunnel • lowering the road profile • stability of the electrical building, existing bridge, and new bridge • during construction of building retrofit measures. <p>Clearly identify and discuss any proposed changes to the design as presented. Explain the benefit(s) of each proposed change.</p>	10
<p>c. Identify the most important safety-related aspects of this project. Explain why they are important and your plan for addressing them.</p>	5
<p>d. Explain your approach to the quality control and outline key aspects to your quality plan as it relates to materials, and workmanship.</p>	5

**OR58: Salt Creek Half Viaducts –
Phase 2 Grading, Structures, Paving
& Electrical**

The Technical Evaluation Committee will rate each criterion response from zero to four (0 to 4); where:

- 0 = unacceptable, missing, or incomplete
- 1 = poor, deficient
- 2 = acceptable, standard or average response
- 3 = good
- 4 = exceptional response

The technical component score for a Bidder will be the summation of the average of the evaluator ratings for each criterion multiplied by the respective value:

$$\text{Technical component score} = \sum(\text{Average Rating} \times \text{Value})$$

The maximum aggregate score for the technical component is 400 points.

The following formula will be used to determine the technical factor for the technical component. The technical factor will be used in the total score formula to determine the best value Bidder as described in 00125.40.

$$\text{Technical factor (Tf)} = \frac{\text{Individual Bidder's Technical Component Score}}{\text{Best Technical Component Score of all Bidder's}}$$

Regardless of the score assigned to any technical component criteria, only those portions of the technical component Bid that meet or exceed the minimum Contract requirements, as determined by the Agency in its sole discretion, will be eligible for incorporation into the Contract. If the Agency in its sole discretion elects to include any such portions of the technical component Bid Proposal, those portions will be incorporated into the Contract before the Contract is executed. Those portions that fail to meet the minimum Contract requirements, as determined by the Agency in its sole discretion, will not be incorporated into the Contract nor will they modify the terms and conditions of the Contract.

00125.30 Technical Evaluation Committee - The Technical Evaluation Committee will consist of Agency personnel and discipline experts that Agency feels support the State's best interest in the evaluation of the technical component. Additional Agency staff and discipline experts may act as observers or facilitators during evaluation and scoring, but will act as non-voting members during the evaluation process.

Each Technical Evaluation Committee member will separately evaluate and rate the technical component for each Bidder. The technical component ratings from all committee members for that Bidder will be averaged together to obtain a final technical component score for that Bidder. If an average technical component score is not a round number, it will be rounded up to the nearest full point.

00125.40 Best Value Bidder Selection - Agency will use the following formula to determine the apparent best value Bidder:

**OR58: Salt Creek Half Viaducts –
Phase 2 Grading, Structures, Paving
& Electrical**

Total Best Value Score = [Tf x Technical component weight] + [Pf x Price component weight]

BEST VALUE SCORING EXAMPLE:

BIDDER A: Technical Component Score = 305 Bid Price - \$368,154	BIDDER B: Technical Component Score = 295 Bid Price = \$344,900	BIDDER C: Technical Component Score= 350 Bid Price = \$415,980
Tf = 305/350 = 0.871 Tf x 50% = <u>0.436</u>	Tf = 295/350 = 0.843 Tf x 50% = <u>0.422</u>	Tf = 350/350 = 1.000 Tf x 50% = <u>0.500</u>
Pf = 344,900/368,154 = 0.937 Pf x 50% = <u>0.468</u>	Pf = 344,900/344,900 = 1.000 Pf x 50% = <u>0.500</u>	Pf = 344,900/415,980 = 0.829 Pf x 50% = <u>0.415</u>
TOTAL BEST VALUE SCORE: 0.436 + 0.468 = 0.904	TOTAL BEST VALUE SCORE: 0.422 + 0.500 = 0.922	TOTAL BEST VALUE SCORE: 0.500 + 0.415 = 0.915

In the event the total best value score is the same for two or more Bidders, the Bidder with the highest technical component score among those Bidders who tied, as provided in this sentence, will be deemed to be the best value Bidder for the purpose of awarding the Contract.

Any subsequent disqualification, non-responsiveness or rejection for cause of any Bidder after Bid Opening will not change the calculation of the price component or technical component factors used in the scoring for any bidders.

SECTION 00130 - AWARD AND EXECUTION OF CONTRACT

Comply with Section 00130 of the Standard Specifications modified as follows:

00130.10 Award of Contract – Replace the lead-in paragraph that begins “After the Bids...” with the following:

After the Bids are opened and a determination is made that a contract is to be awarded, the contract will be awarded to the technically qualified, responsible Bidder submitting the responsive Bid with the highest combined Technical component score and Price component score (see Section 00125). For the purposes of this Section, “technically qualified responsible Bidder” means the Bidder with the highest best value score, combined Technical component and Price component scores, who is not on the list created by the Construction Contractors Board pursuant to ORS Chapter 701, and who has:

Replace the bullet that begins "A satisfactory record of performance..." with the following bullet:

- A satisfactory record of performance. In evaluating a Bidder's record of performance, the Agency may consider, among other things, whether the Bidder completed previous contracts of a similar nature with a satisfactory record of performance. For purposes of evaluating a Bidder's performance on previous contracts of a similar nature, a satisfactory record of performance means that to the extent that the costs

**OR58: Salt Creek Half Viaducts –
Phase 2 Grading, Structures, Paving**

associated with and time available to perform a previous contract remained within the Bidder's control, the Bidder stayed within the time and budget allotted for the procurement and otherwise performed the contract in a satisfactory manner.

Replace the bullet that begins "A satisfactory record of integrity..." with the following bullet:

- A satisfactory record of integrity. In evaluating a Bidder's record of integrity, the Agency may consider, among other things, whether the Bidder has previous criminal convictions for offenses related to obtaining or attempting to obtain a contract or subcontract or in connection with the Bidder's performance of a contract or subcontract.

Add the following to the end of this subsection:

Agency reserves all rights regarding this Project, including, without limitation, the right to:

- Require any clarification it needs to understand the selected Bidder's Technical component part. Any necessary clarifications or modifications which are in the best interest of Agency may be made before executing the Contract with the Bidder, if a contract is to be awarded, and some or all of the clarifications or modifications may become part of the Contract.
- Include any data submitted by the awarded Bidder, if any, within the resultant Contract.

00130.15 Right to Protest Award - Replace this subsection, except for number and title, with the following:

Adversely affected or aggrieved Bidders directly in line for Contract Award may submit to the ODOT Procurement Office - Construction a written protest of the Agency's intent to Award within three working days following posting of the Notice of Intent to Award on the Agency's web site. The protest shall specify the grounds upon which it is based.

The Agency is not obligated to consider late protests.

00130.40 Contract Bonds, Certificates, and Registrations - Replace this subsection number and title and replace the sentence that begins "Before the Agency will..." with the following number and title and sentence:

00130.40 Contract Submittals - Before the Agency will execute the Contract, the successful Bidder shall furnish the following:

Add the following subsection:

00130.40(e) Tax Identification Number - The successful Bidder shall furnish the Agency the Bidder's Federal Tax Identification Number.

SECTION 00140 - SCOPE OF WORK

OR58: Salt Creek Half Viaducts – Phase 2 Grading, Structures, Paving

Comply with Section 00140 of the Standard Specifications modified as follows:

00140.70 Cost Reduction Proposals - Replace the paragraph that begins "The Contractor may submit..." with the following paragraph:

The Contractor may submit written proposals to the Engineer that modify Plans, Specifications, or other Contract Documents for the sole purpose of reducing the total cost of construction. Unless otherwise agreed to in writing by the Agency, a proposal that is solely or primarily a proposal to reduce estimated quantities or delete Work, as determined by the Engineer, is not eligible for consideration as a cost reduction proposal and will instead be addressed under 00140.30, whether proposed or suggested by the Agency or the Contractor.

00140.70(a) Proposal Requirements - In the paragraph that begins "A detailed cost reduction...", replace the bullet that begins "A detailed cost estimate..." with the following bullet:

- A detailed cost estimate for performing the Work under the existing Contract and under the proposed change. Cost estimates shall be made according to Section 00197. Costs of re-design, which are incurred after the Agency has accepted the proposal, will be included in the cost of proposed work; and

SECTION 00150 - CONTROL OF WORK

Comply with Section 00150 of the Standard Specifications modified as follows:

00150.15(b) Agency Responsibilities - Replace this subsection, except for the subsection number and title, with the following:

The Engineer will perform the Agency responsibilities described in the Construction Surveying Manual for Contractors, Chapter 1.5 (see Section 00305).

00150.15(c) Contractor Responsibilities - Replace this subsection, except for the subsection number and title, with the following:

The Contractor shall perform the Contractor responsibilities described in the Construction Surveying Manual for Contractors, Chapter 1.6 (see Section 00305) and the following:

Perform earthwork slope staking including intersections and matchlines and set stakes defining limits for clearing which approximate right-of-way and easements.

00150.30 Delivery of Notices - Replace this subsection, except for the subsection number and title, with the following:

Written notices to the Contractor by the Engineer or the Agency will be delivered:

- In person;
- By U.S. Postal Service first class mail or priority mail (which at the sender's option may include certified or registered mail return receipt requested), to the current office address as shown in the records of the Agency; or
- By overnight delivery service of a private industry courier, to the current office address

**OR58: Salt Creek Half Viaducts –
Phase 2 Grading, Structures, Paving**

as shown in the records of the Agency.

Appendix 5-3

**FFE Report – Final Evaluation for the OR58: Salt Creek
Half Viaducts – Phase II A+D Best Value Contracting
Project**

Final Evaluation
For The
OR58: Salt Creek Half Viaducts – Phase
II A+D Best Value Contracting Project
(as required by ORS 279C.355)

Project Name: OR58: Salt Creek Half Viaducts – Phase II

Exemption Number: 2014-01

Contract Number: 14767

Key Number: 19221

FAP: STP-S018(046)

Contractor: Farline Bridge, Inc.

Section 1 – Project Description and Background

The OR58: Salt Creek Half Viaducts – Phase II project was located in Lane County, near Salt Creek Tunnel on Willamette Highway (OR58), between mile points 55.90 and 56.48. This project was a continuation of the project FFO – OR58: Salt Creek Tunnel & Half Viaducts – Bundle 257, KN 16035. The entire scope of work for the original project was not completed under the original project. This project focused on completing the original project and consisted of the following major work items:

- Removing and replacing the existing half viaduct Structure No. 07188
- Removing and replacing the existing half viaducts Structure No. 07187
- Finishing the partially constructed half viaduct Structure No. 21569 & No. 21570
- Removing portions of the existing electrical building and installing new roof, maintenance access, tunnel illumination control equipment, and backup generator system.

Section 2 – Introduction

On October 14, 2014 the Oregon Department of Transportation's (ODOT) OR58: Salt Creek Half Viaducts – Phase II project received an order from the ODOT Director granting an exemption from competitive bidding to allow the use of the A Plus D (A+D) alternative contracting method project. ORS 279C.335(2) permits the Director of Transportation to grant exemptions to ODOT from the requirement for competitive bidding on approval of specific findings. Under ORS 279C.335(4) a public hearing must be held before the findings are adopted, allowing an opportunity for interested parties to comment on the draft findings. The public hearing was held on September 26, 2014 and there were no comments received.

ORS 279C.355 requires an evaluation of the public improvement project upon its completion. The evaluation includes, but is not limited to the following matters:

1. The actual project cost as compared with original project estimates.
2. The number of project change orders issued by the public agency.
3. A narrative description of successes and failures during the design, engineering, and construction of the project.
4. An objective assessment of the use of the alternative contracting process as compared to the findings required by ORS 279.015 (now ORS 279C.335).

In the following sections, two types of comparisons are made. The first evaluation, reported in Section 3, compares actual results of the project with results that would be expected on a typical project. The second evaluation, reported in Section 4, compares actual results of the project with the expected results described in the original exemption findings. Notice-to-Proceed was issued to the contractor on March 12, 2015 and construction was completed on October 27, 2015. Dollar amounts provided in this report are rounded to the nearest whole dollar.

Section 3 – Comparison of the OR58: Salt Creek Half Viaducts – Phase II Project Actual Results vs. a Typical Project

3-1 : Schedule and Project Duration

Under the traditional contracting method, ODOT obtains all environmental clearances and permits, and completes biddable final plans and specifications prior to advertising and awarding the construction contract to the lowest responsive bidder. Under the A+D Alternative Best Value contracting method, the Bidder's technical approach (D component), as well as price (A component), are used to determine which bidder is awarded the contract. This procurement method encompasses the Oregon Legislature's focus on economic efficiency and stimulation and provides recognition of the value to the public of employing enhanced contracting methods, which will accomplish the required work in the most effective manner.

A project equivalent to the OR58: Salt Creek Half Viaducts – Phase II project completed under the typical method of delivery would typically take approximately 15 months for construction. Using the A+D Best Value method the OR58: Salt Creek Half Viaducts – Phase II project, took only 8 months; from Notice-to-Proceed on March 12, 2015 to construction completion on October 27, 2015, or approximately 7 months less than the estimated duration if the typical method had been utilized. Prolonged project closeout activities resulted in Third Notification being issued on April 20, 2016.

Additionally, OR58 is an important east-west commercial, private and recreational travel corridor. Because of the lack of alternative access routes from Eugene to central Oregon communities, work had to be scheduled, staged (where possible), and prosecuted to minimize construction time and interference with traffic mobility, while maintaining safe driving conditions. The contractor used fast track scheduling, traffic staging and control on this project, which ultimately resulted in the project being completed on-time and significantly reduced the construction time. This allowed the new bridges to be opened to full traffic significantly sooner

OREGON DEPARTMENT OF TRANSPORTATION

than originally estimated in the FFE and for an equivalent design-bid-build project, saving motor carriers the additional operating cost due to the lower impact to traffic mobility through the project area.

3-2: Costs

The following tables provide actual change order costs and a comparison of actual project costs utilizing the A+D Best Value contracting method with what would have been expected under the typical method, based upon ODOT historical experience.

The actual total construction cost for the project was \$7,469,096 inclusive of change orders, as enumerated in the below table (change order amounts in parenthesis are cost savings).

Table 1: Contract Change Order Costs

Base Contract Amount: **\$ 7,469,096.00**

Contract Change Order Item	Amount
Fiberglass Conduit Alternative (Credit)	\$ (2,652.00)
Revise Structure No. 22331 – Per Attachment	\$ 14,822.27
Delete Item 0132 – Proof Testing	\$ 0.00
Delete Item 0133 – Rock Dowel Wall	\$ 0.00
Structure No. 21568 – Revised Bent # 1 Cap and Wingwall	\$ 69,566.83
3-Tube Rail – Added Posts	\$ 1,920.64
Pedestrian Rail – Propane Slab	\$ 479.26
Modify Power Room Roofing (Credit)	\$ (400.00)
Sweeping Mobilization, Sweeping & Misc.	\$ 1,074.76
Provide & Install Thermoplastic Striping	\$ 12,232.36
Reduce BI 4 – Temporary Signs	\$ 0.00
Reduce BI 5 – Temporary Barricades Type 3	\$ 0.00
Reduce BI 0023 – PCMS Signs	\$ 0.00
Delete BI 26 – Traffic Control Supervisor	\$ 0.00
Cost Reduction Proposals Savings	\$ 83,156.10
Depreciation of PCMS Units	\$ 25,764.00
Modify SP 00180.50(H) – 10/27/2015	\$ 0.00
Structures No. 22329 & 22330 – Revised Retaining Walls & Coping Slabs	\$ (367.20)
Pressure Grout Voids	\$ 6,826.84
Multi Directional Breakaway	\$ 964.85
3-Tube Rail Transition	\$ 1,939.50
Revise Rock Bolt Acceptance Criteria	\$ 0.00
Total Change Order Amount	\$ 215,328.00

Base Contract Amount plus Change Orders: **\$ 7,684,424**

For the cost comparison below, anticipated items and contingencies are factored into the to the hypothetical typical project estimate and use the following assumptions:

- Fifteen percent (15 %) of the contract change order cost is related to design/engineering, a common percentage in the industry, and the remainder to construction.
- Anticipated items and contingencies would have been included on a typical project.

Table 2: Actual Costs under Hypothetical Typical Project Method vs. Estimated Cost under A+D Best Value Method

Estimated Cost for Hypothetical Typical Project Delivery:	Amount
Design (15 % of Construction Value)	\$ 1,198,413
Construction Value	\$ 7,989,421
ODOT Construction Engineering/Construction Management	\$ 1,130,850
Anticipated Items & Contingencies	\$ 387,274
Total Estimated Cost:	\$ 10,705,960
Actual Cost for OR58: Salt Creek Half Viaducts – Phase II A+D Best Value Contracting Project Delivery:	Amount
ODOT Design	\$ 700,000
Construction Value	\$ 7,469,096
ODOT Construction Engineering/Construction Management	\$ 441,400
State Force Orders	\$ 36,443
Change Order Costs (Source - CCO Table Total)	\$ 215,328
Total Actual Cost :	\$ 8,859,330
Difference between Hypothetical Typical Project and A+D Best Value Contracting Project in Total Cost Savings:	\$ 1,846,630

The construction value assigned to the hypothetical project uses the actual original authorization construction cost for the project. The hypothetical costs for design and construction engineering/management were calculated using percentages of construction cost. Those percentages were developed by ODOT based on experience and history on equivalent projects and are commonly used to develop project estimate.

3-3 : Conclusion

The use of A+D best value contracting resulted in the OR58: Salt Creek Half Viaducts – Phase II project being completed on schedule and open for public use without any major delays. The contractor’s overall innovative approach to address the projects challenges and construction methods also produced minimal impacts to site, the project schedule, and budget.

The overall actual cost of the project was \$8,859,330 using the A+D Best Value contracting method. The estimated cost for delivery of the project using the typical method would have been \$10,705,960. Because ODOT utilized the A+D Best Value contracting method, project was able to save an estimated \$1,846,630 in cost savings. The calculated amounts in the above Actual Costs under Hypothetical Typical Project Method vs. Estimated Cost under A+D Best Value Method table indicates a cost savings of approximately 21%.

Section 4 – OR58: Salt Creek Half Viaducts – Phase II Project Results vs. Estimated Results Stated in the Original Exemption Findings

In this section the actual project results are compared to the original estimated project results in the exemption findings for the OR58: Salt Creek Half Viaducts – Phase II project.

4-1 : Project Successes

Successes experienced on the OR58: Salt Creek Half Viaducts – Phase II project were:

1. On-time Completion – The exemption findings estimated the project would start at the beginning of the 2015 construction season and end in mid-2016. Project activities not relating to paving were expected to be completed by late 2015, taking approximately 7 months for project items. The exemption findings estimated project start date is based on the project beginning in April. The actual start date of the project was March and the overall completion took 8 months, including both the bridge and associated structures, as well as the paving portion of the contract.
2. Direct Cost Savings – The exemption order for this project estimated a direct cost savings of \$172,000. When comparing the cost of the completed project to the estimated cost of delivering the project using design-bid-build there was an increase in actual direct cost savings of about \$1,846,630 or more than ten (10) times the savings estimated in the exemption order.
3. Innovations:
 - a. Public Relations – The Contractor and ODOT met with various citizen groups prior to the project starting. There was much discussion about the anticipated tunnel closures. It was during this time that the Contractor stated they had a project goal of zero closures vs. the twenty (20) identified in the Contract.
 - b. Construction Methods – This project site was highly constrained both physically and environmentally. The Contractor proposed using pre-cast concrete components as

much as possible. This reduced the need for forming and striping in addition to limiting the number of concrete trucks needed on site.

- c. Traffic Control – None. Typical means and methods were used.

4-2 : Project Failures

There were no failures identified specific to the use of the A+D best value contracting method for this project.

4-3 : Comparison to Original ORS 279.103 Exemption Findings

The comparisons made in this section are between the original findings presented in support of an exemption for the OR58: Salt Creek Half Viaducts – Phase II project and the actual A+D contracting method project performance.

1. Impact on Competition – In the original exemption findings ODOT suggested that there would be no impairment of competition under a solicitation process utilizing technical and price-based evaluation and selection factors, as many firms had expressed interest in the OR58: Salt Creek Half Viaducts – Phase II project. Overall, two contractors submitted statement of qualifications and proposed on this project, resulting in a competitive procurement.
2. Net Cost Savings – In the original exemption findings, ODOT presented data from national studies that indicated cost savings could be expected in several areas through utilization of the A+D contracting project delivery method when compared to the traditional method. ODOT concluded that the use of the A+D contracting approach could produce a total minimum savings of approximately \$172,000. For this project, the actual project cost savings was \$1,846,630.
3. Schedule Changes – Project was completed on schedule.

Section 5 – Summary

In conclusion, the OR58: Salt Creek Half Viaducts – Phase II project exceeded the expectations presented in ODOT’s original exception findings for project cost and time savings, supporting the granting of an exemption from competitive bidding. Whether evaluating this project on the basis of comparisons to comparable typical project methods or expectations in the exemption findings, the A+D Best Value procurement method implemented on this project saved ODOT time and money.

The project was completed on time as estimated in the exemption findings. The contractor’s approach to managing construction and staging each work site independently resulted in the project being completed on time as scheduled. The project was completed with no construction contract claims.

Table 3: Project Delivery Results Comparison Summary

PROJECT DELIVERY RESULTS COMPARISON SUMMARY			
Evaluation Factors	OR58: Salt Creek Half Viaducts – Phase II (A+D) Exemption Findings	OR58: Salt Creek Half Viaducts – Phase II (A+D) Actual	Hypothetical (Design-Bid-Build) Estimated
Project Cost	\$3.5 to \$4.5 Million	\$8,159,330	\$10,705,960
Project Duration	7 Months	8 Months	15 Months

The public benefited from this project through improved safety by increasing both the flow of traffic and increased allowable load capacities for interstate commerce and recreational travel along this portion on the interstate and state highway system.

Appendix 5-4

SEP-14 Work Plan – OR58: Salt Creek Half Viaducts – Phase II



Oregon

Kate Brown, Governor

Department of Transportation

ODOT Procurement Office

455 Airport Road SE, Bldg. K

Salem, Oregon 97301-5348

Voice: (503) 986-2819

Fax: (503) 986-6910

DATE: May 5, 2015

TO: Mike Morrow, Field Operations Engineer
Federal Highway Administration

FROM: Melissa L. Canfield
Chief Procurement Officer

SUBJECT: SEP-14 Procurement Summary
OR58: Salt Creek Half Viaducts -Phase 2 Project (A+D)
Key# 19221
Contract# 14767
Lane County

In accordance with the reporting requirements outlined in the Sep-14 Work Plan for OR58: Salt Creek Half Viaducts - Phase 2 Project, approved by FHWA on November 21, 2014, Oregon Department of Transportation (ODOT) submits the enclosed SEP-14 summary for ODOT's procurement phase using Best Value, A Plus D (A+D) contracting method for this project.

ODOT successfully completed the procurement phase for this project. FHWA approved the award on February 11, 2015 and the contract was executed on March 5, 2015. The enclosed report provides a summary of the procurement phase for this project.

Respectfully,

/S/

Melissa L. Canfield

Enc.: SEP-14 Procurement Summary Report - OR58: Salt Creek Half Viaducts -Phase 2 Project

cc: Karl Wieseke, ODOT Region 2 Construction Project Manager
Karen Scott, ODOT Office of Project Letting, Specifications Unit Alternative Contracting Engineer
Russell Swearingen, ODOT Office of Project Letting, Specifications Unit Design-Build Coordinator

SPECIAL EXPERIMENTAL PROJECT NO. 14 (SEP-14)

A+D Best Value Contracting

Procurement Summary

For The

OR58: Salt Creek Half Viaducts - Phase 2 Project

Key Number: 19221

ODOT Contract No. 14767

Oregon Department of Transportation

ODOT Procurement Office

Salem, OR 97301

May 5, 2015

**OR58: Salt Creek Half Viaducts – Phase 2 Project
SEP-14 Procurement Summary Report**

1.0 Introduction

The Oregon Department of Transportation (ODOT) submits this summary of the procurement phase under the provisions of programmatic Special Experimental Project No. 14 (SEP-14) for the use of A Plus D (A+D) alternative contracting for transportation projects. The purpose of this summary is to fulfill the requirements of this project's SEP-14 Work Plan, as approved by Federal Highway Administration (FHWA) Oregon Division on November 21, 2014 summarizing the procurement phase of OR58: Salt Creek Half Viaducts – Phase 2 Project.

This summary covers: project scope, procurement, evaluation and scoring, selection, and industry reaction. This summary will be followed by a final evaluation report. The final report will be submitted within four (4) months of completion and ODOT acceptance of the project.

ODOT proposed using the A+D alternative Best Value contracting method to address Project needs by evaluating components which included the Bidder's technical approach, D component, as well as price, A component, which results in a "Best Value" selection. This procurement method encompasses the Oregon Legislature's focus on economic efficiency and stimulation and provides recognition of the value to the public of employing enhanced contracting methods which will accomplish the required work in the most effective manner.

2.0 Project Scope

Best Value Contracting method A+D (Price Plus Technical Approach) OR58: Salt Creek Half Viaducts - Phase 2 project scope of work consists of completing unfinished bridge replacement work, roadway upgrades and electrical upgrades.

The cost of this project was estimated to be between \$4.5 and \$5.5 million. The bid closing date for technical component proposals was January 8, 2015 and bid opening date for the price component was January 29, 2015. It is estimated that construction will be complete in April, 2016.

The project work will include construction, quality management, contract administration and all necessary support services to remove and replace two existing half viaduct structures, finish two partially constructed half viaduct structures, remove portions of existing electrical building while strengthening the remaining portions and install new roof, maintenance access, tunnel illumination control equipment and backup generator system. The work will be done in accordance with ODOT-approved construction standards, performance requirements, and specifications.

Accomplishing the above work is a complex process due to significant technical, specialized and complex work items including highly specialized expertise in viaduct removal and replacement using staged construction techniques while planning work to minimize road closures. The consequences of relatively small errors in planning, scheduling, and accomplishing the work could significantly extend the project timeline and impacts to traffic flow.

3.0 Procurement Process

The Best Value contracting (including Price Plus Technical Approach or A+D) procurement process consisted of opening Bidder Price components (A component) and evaluating and scoring of Technical approach components (D component). ODOT issued a Request for Proposal (RFP) to all interested parties via ODOT's Electronic Bidding Information Distribution System (eBIDS) web site on November 28, 2014. The RFP consisted of a Technical component covering Bidder's approaches to complex and unique technical, staging and schedule factors that could adversely impact the on time Project completion if not properly addressed.

4.0 Evaluation and Scoring

Bidder proposal evaluation and scoring was based on an A+D procurement process consisting of Bidder's Price (A component) and Technical Approach (D component). The Price component was assigned a weighting factor of 50% and the Technical Approach component was assigned a weighting factor of 50%.

Bidder Technical component proposals were opened on January 8, 2015, before the Price component bids were submitted. The Evaluation Committee evaluated and scored Bidder Technical component proposals using the established technical approach scoring criteria provided in the RFP and the SEP-14 work plan. Scoring consisted of the Evaluation Committee assigning points to individual criteria factors within the maximum available 400 points.

5.0 Selection

Price component bids (A component) were opened at the beginning of the Price Opening meeting on January 29, 2015. Bidder Price component bids and the apparent Best Value bidder were announced.

The A+D method used for this project resulted in the Best Value scoring and Best Value bidder selection as shown in the below table:

Bidders	Technical Component Scores	Submitted Prices	Best Value Scores	Overall Ranking
* Farline Bridge, Inc.	283.00	\$7,989,421.06	0.9504	1
West Cost Contractors	226.00	\$7,196,749.10	0.8993	2

(*) Farline Bridge, Inc. had the highest Technical Component score and the highest price, resulting in their selection as the Best Value bidder for the Project and award of the contract on February 12, 2015. Farline Bridge, Inc.'s bid price was approximately 54% over ODOT's Engineer's Estimate.

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6.1 Industry Reaction

Bidder interest in this project was strong and had the following participation results:

- 13 prime firms and subcontractors attended ODOT's Pre-Advertisement Project On-Site Visit
- 34 prime firms and subcontractors down loaded plans
- Two (2) prime firms submitted Price bids and Technical component proposals

7.1 Reporting

With the project's estimated completion dated being June 2016, a little over a year after Notice to Proceed, ODOT will not be submitting annual evaluation reports. ODOT will be submitting a final evaluation report within four (4) months after ODOT's acceptance of the experimental project. The final report will contain a summary of how well the project met the below objectives, lessons learned, and recommendations pertaining to the use of the A+D project delivery and contracting method on other projects.

- Did the project deliver the high level of quality expected of a contractor team especially experienced in the work items and overall supervision of such a complex project?
- Did the project meet schedule and budget with a minimum of modifications, in particular planning and schedule based issues?
- Did the contractor's submitted proposed technical approaches accurately reflect the approaches taken during construction to maintain schedule, budget and other project goals?