2012-2013 Annual Report,

Alternative Contracting Special Experimental Project No. 14 (SEP-14) Best Value Contract selection

Introduction

On April 24, 2012, FHWA accepted NYSDOT's proposed work-plan for the use of Best-Value selection of design-bid-build construction contracts through the Federal "Alternative Contracting" SEP-14 program. As part of the work-plan, NYSDOT will provide interim and final reports for projects that use Best-Value. In addition, FHWA requested annual reports be provided for the three year program. The following is the annual report for 2012-2013 which provides information on how NYSDOT used Best-Value selection and on future Best-Value candidate projects.

Projects Selection for use of Best-Value

The NYSDOT workplan detailed key reasons why the use of Best-Value selection helps minimize risks on certain projects. Below is a list of the three measures outlined in the workplan that were used to determine whether a project will be a good candidate and to measure the success of the project if Best-Value selection is deemed appropriate:

- Cost savings: Minimize change orders by including in the criteria for selection items such as experience with similar projects and conditions, understanding and approach, schedule and quality control.
- Quality: The Best-Value selection process allows quality criteria to be used to help score each contractor based on past experience, quality control, and understanding and approach.
- Time: A candidate for Best-Value will typically have time constraints due to factors like traffic volumes or environmental restrictions. The selection criteria can include items like durations for portions of the project and/or substantial completion. The durations chosen by the Contractor will become contractual.

All candidates for using Best-Value selection are pre-approved by the Commissioner.

Results of use of Best-Value in 2012-2013

In May 2012, New York State Department of Transportation (NYSDOT) let two D/B/B projects following the information in the April 12, 2012 workplan.

Both projects had similar reasons for why Best-Value would be a good selection process.

- Both projects dealt with bridge work on roadways with over 100,000 AADT and impact to traffic that needed to be minimized.
- Both projects required contactors with experience in the type of work required to minimize costs and impact to traffic.
- Both projects required time constraints to minimize the impact to traffic.

One week after bids were received for each project, oral presentations were conducted. The final scoring and selection was completed one week after the oral presentations and the proposed selection was provided to the Commissioner for final approval before award.

In April of 2013, a third project was let using the Best-Value selection process. An interim report is still being developed and is expected to be provided in June of 2013.

Below is a summary of each of the three projects that utilized Best-Value selection.

Project 1

PIN: …… SABP.00
Contract: …… D262025
Location: …… I-87 SB & NB over Mohawk River
County: …….. Albany and Saratoga
Towns: …….. Colonie and Halfmoon
Region: …….. 1
Brief description: Replacement of decks and approaches on I-87 SB and NB bridges, including upgrade of bridge rail and replacement of all scuppers.

Awarded to: …… Lane Construction Corp.
Bid: …….. $29.00M
Key information:
Substantial completion - June 10, 2013
Final Completion – July 15, 2013
Number of weekend closures – 8 total.

Final combined scores:

Contractor	Weighted Cost score (max of 70)	Weighted Technical score (max of 30)	Overall combined score
Lane Construction Corp.	70.00	26.70	**96.70**
Halmar International	64.69	25.80	**90.49**
Kubricky Construction Corp.	59.96	24.00	**83.96**

The project includes replacement of the decks and approach slabs for both I-87 NB and SB bridges over the Mohawk River, also known as the Thaddeus Kosciuszko twin bridges. In addition, the project also includes replacement of the existing bridge rail with single face concrete barrier and replacement of all scuppers and the drainage system.

The majority of the project work impacts traffic on I-87 with traffic volumes over 100,000 AADT. The deck replacement work can only be completed over weekends as allowed in the contract. To complete the deck replacement, crossovers are used, providing 2 lane/2 way temporary traffic patterns. The provisions in the contract are in accordance with NYSDOT's recently developed Drivers First policy, which has the goal of minimizing impacts to traffic while still providing a cost effective solution to complete the work.

All three contractors proposed the minimum number of weekend closures required, so this was not a determining factor. However, if let solely using D/B/B, the contract would have allowed 12 weekends instead of 8 as propsoed by each contractor in their technical proposals. Minimizing the impact to traffic was a key concern for this project and being able to reduce the number of weekend closures without an increase in costs is a positive result for the use of Best-Value for this project.

The project is currently in its second season of construction and will be completed later this summer. After completion of the project a Final Report will be completed that will information related to the measures listed below for cost, quality and time.

Project 2

PIN: …… 8106.28
Contract: …… D262044
Location: …… Sprain Brook Parkway Bridges over Route 119
County: …….. Westchester
Towns: …….. Village of Elmsford
Region: …….. 8
Brief description: Replacement of 2 bridges on Sprain Brook Parkway over Route 119.

Awarded to: …… Ecco III Enterprises, Inc.
Bid: …….. $21.31M
Key information:
Substantial completion - April 15, 2015
Final Completion – June 30, 2015

The project includes replacement of both NB and SB bridges over Route 119. The replacement of the bridges impacts traffic on Sprain Brook Parkway with traffic volumes over 100,000 AADT. The staging of the replacement work impact traffic and require lane reductions during certain stages of construction. The provisions in the contract are in accordance with NYSDOT's recently developed Drivers First policy, which has the goal of minimizing impacts to traffic while still providing a cost effective solution to complete the work.

Ecco III Enterprises, Inc. had both the low bid and the highest technical score. They also provided the shortest duration for Stage 2 and overall completion of the project. Given their extensive experience, it was clear that they had the ability to complete the project at the bid submitted.

Similar to the Twin Bridges project, the durations proposed by the winning contractor were made contractual. The use of Best-Value selection has minimized the impact to traffic which was one of the key concerns for the project.

The project is currently in its second season of construction and is expected to be completed the summer of 2015. After completion of the project a Final Report will be completed that will information related to the measures listed below for cost, quality and time.

Final combined scores:

Contractor	Weighted Cost score (max of 70)	Weighted Technical score (max of 30)	Overall combined score	Final Ranking
Defoe Corp.	61.23	23.10	**84.33**	4
Ecco III Enterprises, Inc.	70.00	28.50	**98.50**	1
EE Cruz and Company, Inc.	59.80	24.00	**83.80**	5
Halmar International	61.75	26.40	**88.15**	3
Yonkers Contracting Co., Inc.	65.41	25.80	**91.21**	2

Project 3

PIN: …… 1528.68
Contract: …… D262091
Location: …… I-90 over the Hudson River
County: …… Albany and Rensselaer
Region: …… 1
Brief description: Rehabilitation of I-90 Bridge over the Hudson River. Also known as the Patroon Island bridge.

Recently awarded to Halmar International and Servidone B. Anthony Construction Corp. Joint Venture for $145.8M. An Interim report is expected to be provided in June of 2013. Additional detail will also be provided in the 2013-2014 annual report.

Analysis and Lessons Learned with the Selection Process

Below is a list of key areas we noted based on the selection process and what can be done on future Best-Value selection projects to improve the process.

1) The selection committee felt that some of the technical evaluation factors were too strictly defined in terms of what criteria should be result in a given score. This reduced the amount of judgment and discretion that the committee members could apply. For future projects, NYSDOT will attempt to define the criteria in a way that does allow the committee to exercise more professional judgment.
2) Given the 70/30 weight of cost vs. technical qualifications and the fact that the raters tended to score technical qualification within a limited range, it would have been difficult for a higher technical score to overcome a lower bid price. For future projects, the ratio will be evaluated more and receive approval from the Commissioner prior to including in the special note. For the recently awarded bridge rehabilitation project, PIN 1528.68, I-90 over the Hudson River and I-90/I787 interchange bridges, a 50/50 ratio was included in the special note. The Interim report for PIN 1528.68 will include detail on the results.
3) Oral presentations provided limited benefit for the selection team, and NYSDOT will decide on a project by project basis whether they will be required on future best value projects. Oral presentations were not scored separately. The committee was given the opportunity to adjust their scores for the technical factors following the presentations.
4) Award of the contract for PIN SABP.00 was less than 30 calendar days after Letting and for PIN 8106.29 about 53 calendar days after Letting. Typical timeframe from Letting to award is 45 calendar days. The additional time needed did not have a significant impact on the duration needed to award the projects.

These results can be incorporated in future Best-Value projects.

Measures

The key measures on whether the use of BV was successful for each project will depend on results of the three categories listed in the workplan. The final report will provide detail to successfully measure the results of this project as follows:

1. Cost Savings:
    a. Did the project stay within the bid amount? If not, what change orders were required and why?
2. Quality:

   a. Did the final product meet the expectations of the past experience each contractor provided in their technical proposal? This will rely on interviews with construction staff and if any work required re-construction or result in any payment penalties.

3. Time:
   a. Was the project awarded on time? Did the Best-Value process in any way hinder the award of the project and if so, did have any impact on the final completion date?
   b. For SABP.00, how many weekend closures were required? Were more needed than proposed?
   c. For both projects, did the contractor meet the substantial and final completion dates as proposed?

Future Best-Value Projects

At this time no other projects have been identified to use the Best-Value selection method.