Southeast Connector Project

Industry Workshop

February 7, 2020

Safety: Mission

ZERO

#EndTheStreakTX

Safety Never Stops!

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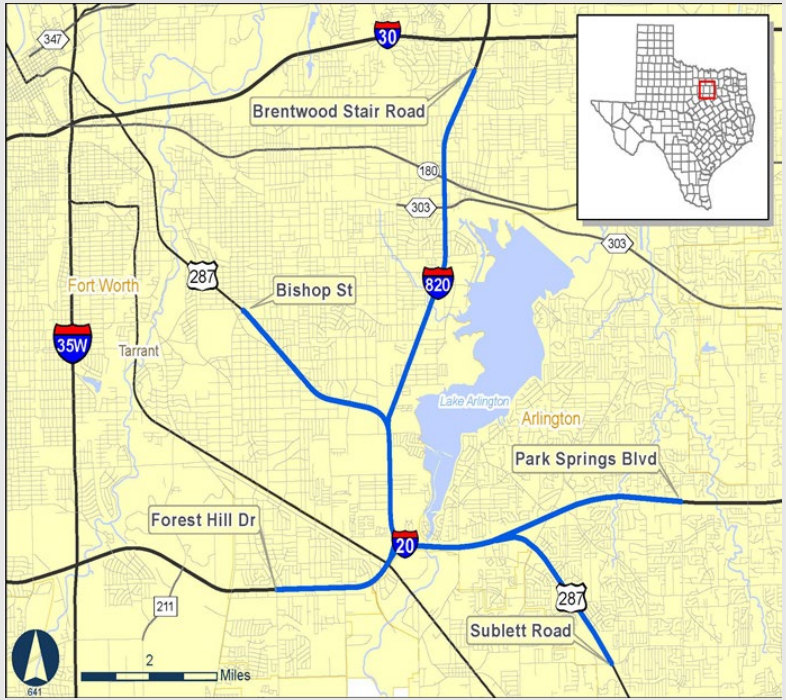
PROJECT OVERVIEW

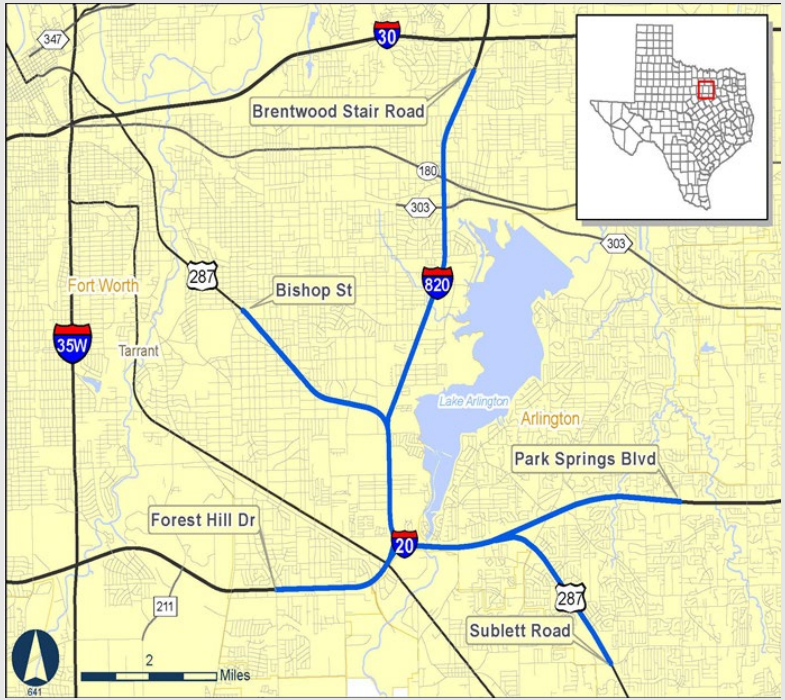
Project Overview: Project Location

- Project Location: Tarrant County
  - I-20, I-820 and US 287
  - Cities of Arlington, Forest Hill, Fort Worth, Kennedale and Mansfield
- Total Project Length: 16.6 miles
  - Reconstruction of I-20/I-820, I-20/US 287 and I-820/US 287 interchanges
  - Two of the 100 most congested roadways in Texas connect to the Project corridor

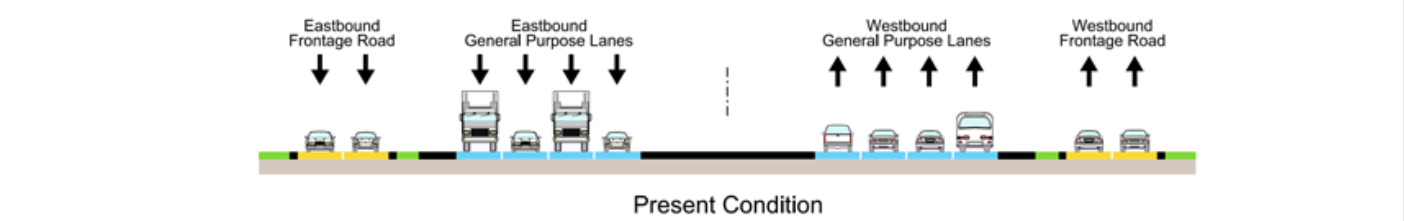


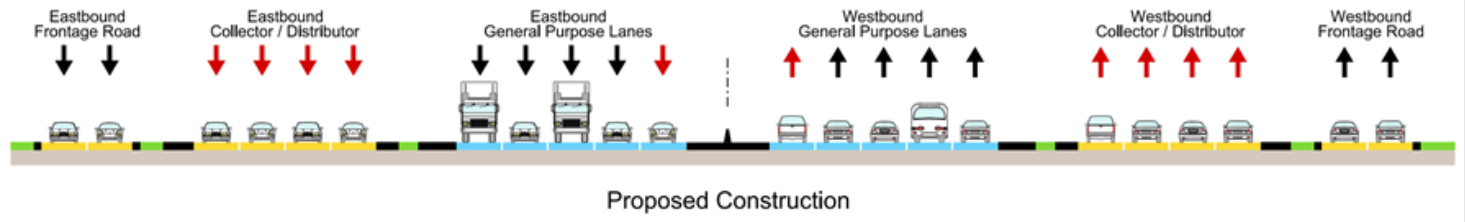
Project Overview: Project Goals

- Project Goals
  - Improve mobility
  - Maximize safety
  - Long-term congestion management
  - Improve connectivity
- Proposed Improvements to Achieve Goals
  - Additional general purpose lane(s)
  - Additional frontage roads
  - Collector-distributor ramps
  - Interchange improvements throughout corridor
  - Improved bicycle/pedestrian facilities



Project Overview: I-20

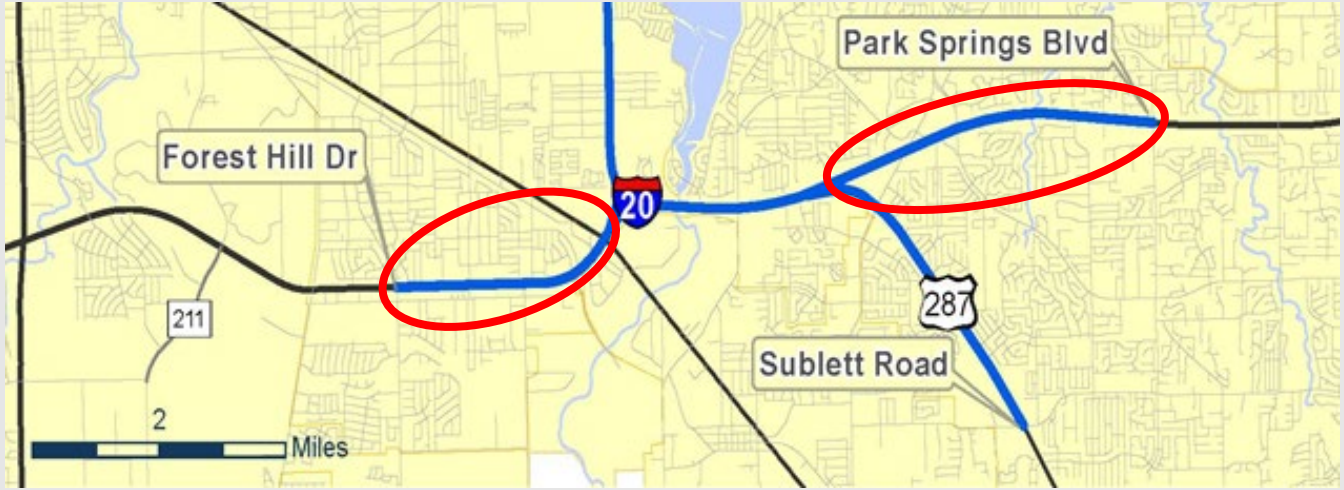


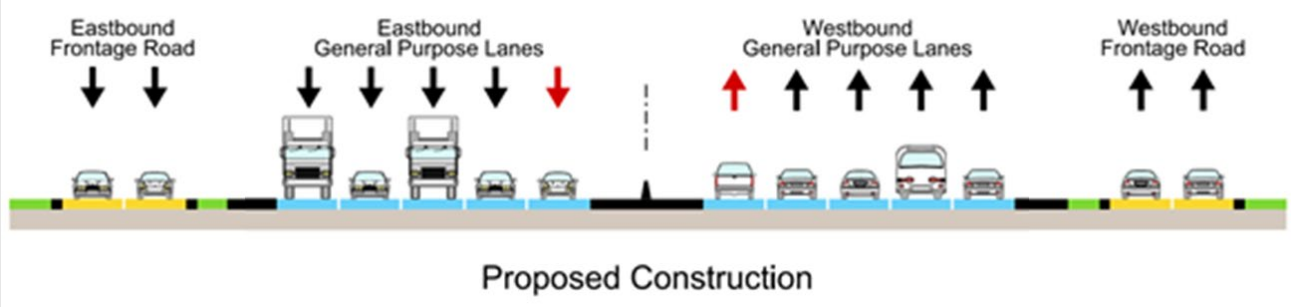


Added capacity shown in red

- I-20 Project scope from Forest Hill Drive to Park Springs Boulevard:
  - Construction of one additional general purpose lane (GPL), plus four-lane collector-distributors in each direction
  - Reconstruction and realignment of existing GPLs, frontage roads and interchanges

Project Overview: I-20





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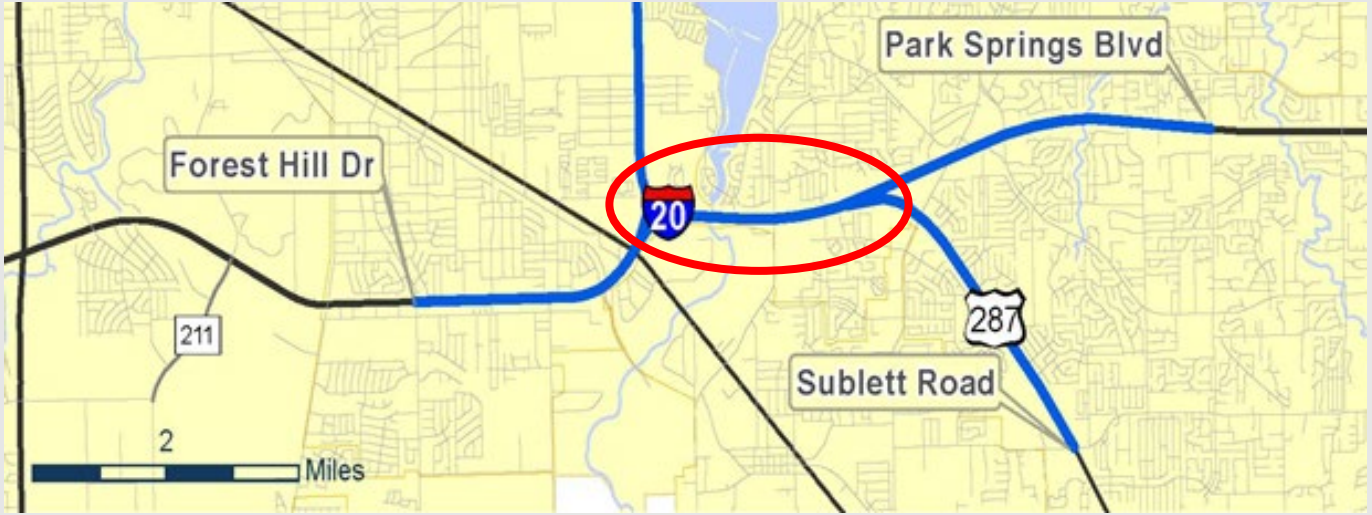
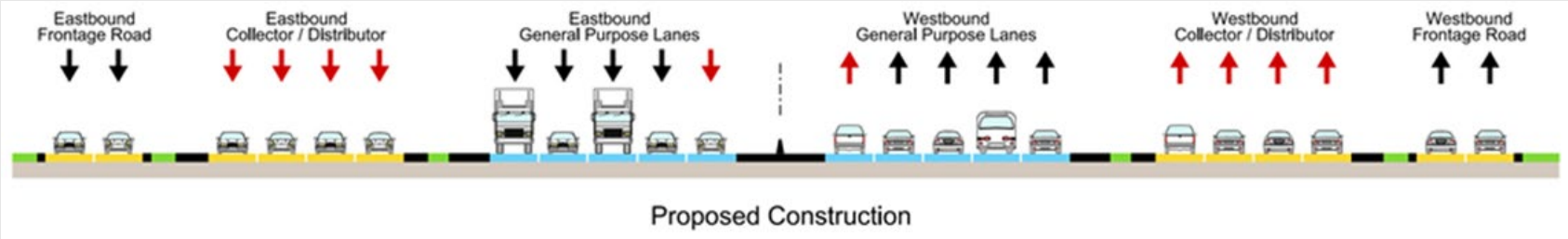
Project Overview: I-20





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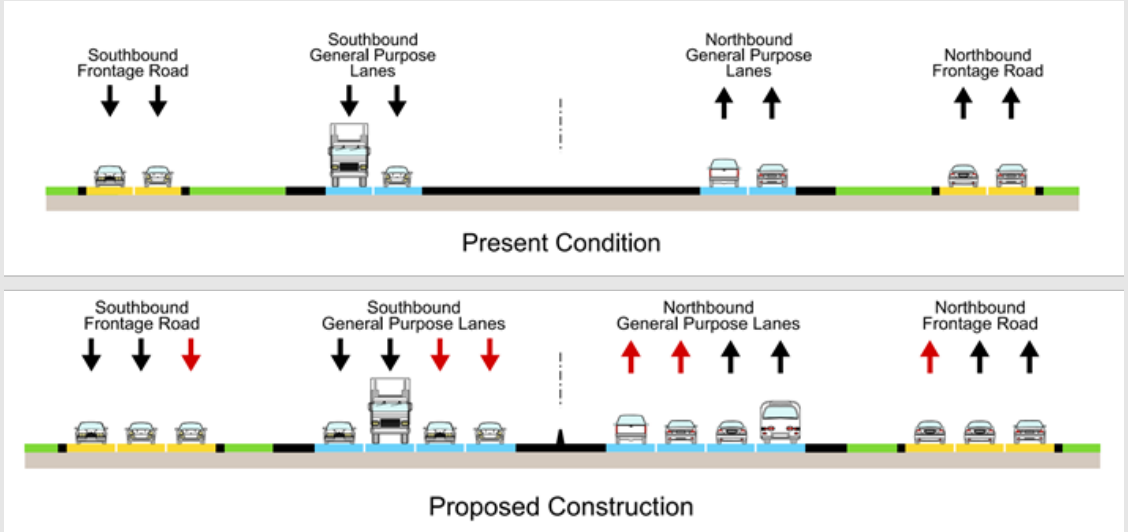
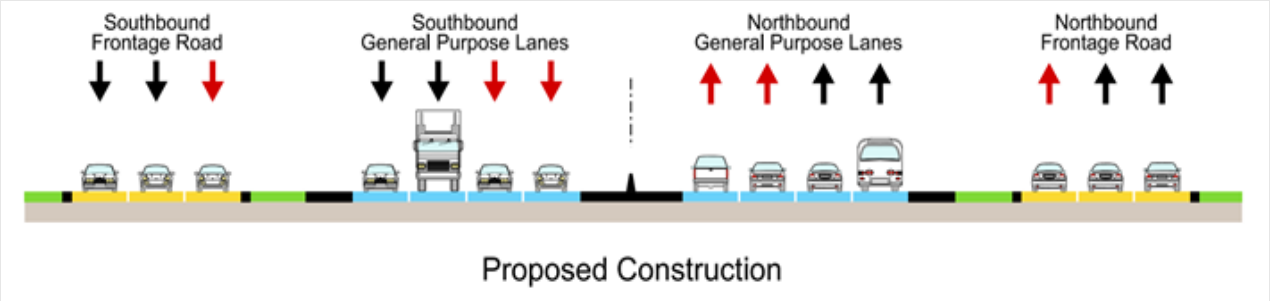
Project Overview: I-820



Added capacity shown in red

- I-820 Project scope from I-20 to Brentwood Stair Road:
  - Construction of two additional GPLs in each direction
  - Construction of one additional frontage road lane in each direction
  - Reconstruction and realignment of existing GPLs, frontage roads and interchanges

Project Overview: I-820



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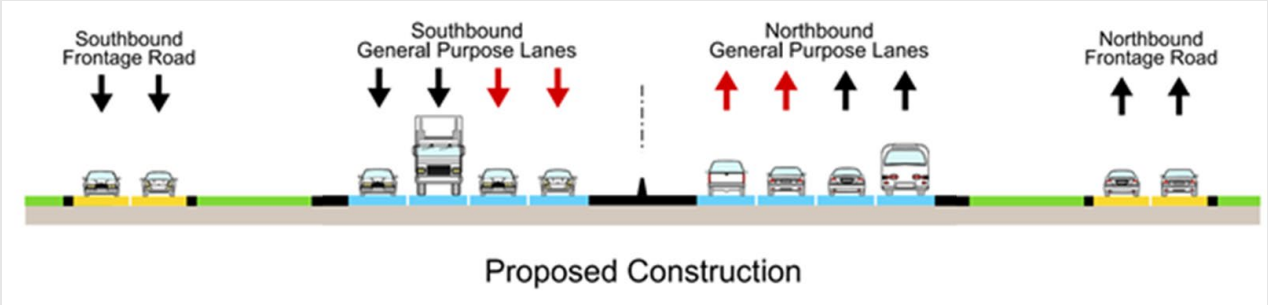
Project Overview: I-820



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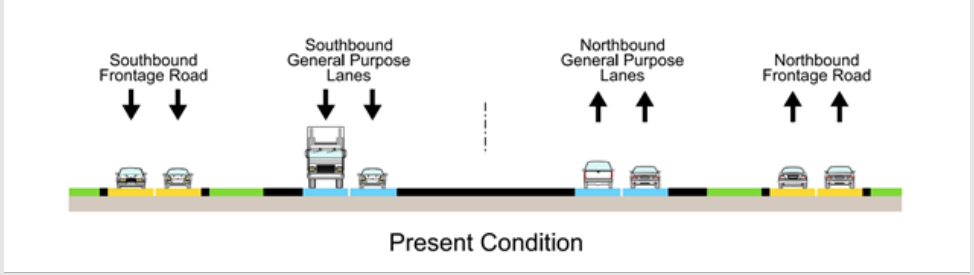
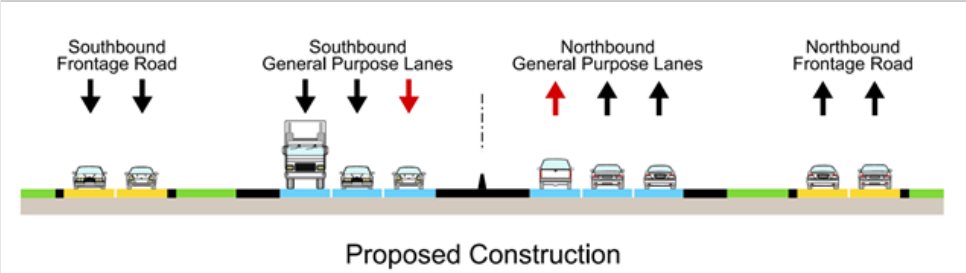
Project Overview: US 287





Added capacity shown in red

- US 287 Project scope from Bishop Street to Sublett Road:
  - Construction of one additional GPL in each direction
  - Reconstruction and realignment of existing GPLs, frontage roads and interchanges

PROJECT STATUS AND CHALLENGES

Project Status

- Contracting Method
  - Design-Build Contract (DBC) with a 15-year Capital Maintenance Contract (three 5-year optional terms)
- Project Cost
  - Estimated DBC cost of $1.495 billion
- Disadvantaged Business Enterprise (DBE) Goal
  - 14.5% for construction
  - 23.0% for professional services
  - Additional information regarding DBE provided later in presentation

Project Status (continued)

- Environmental Clearance
  - TxDOT is conducting an Environmental Assessment (EA) and anticipates issuance of Finding of No Significant Impact (FONSI) in Summer 2020
  - TxDOT anticipates a public hearing on the draft EA in Spring 2020
    - Updates and more information on the meeting can be found at: https://www.txdot.gov/inside-txdot/projects/studies/fort-worth/southeast-connector.html
- Design
  - Draft schematic is currently under review by TxDOT and has been provided in the Request for Qualifications (RFQ) Reference Information Documents (RIDs)
  - Interstate Access Justification Report (IAJR) under development and approval of IAJR and schematic design anticipated in conjunction with EA

Project Status (continued)

- Right of Way (ROW)
  - TxDOT anticipates the need of ROW acquisition services for the project (294 impacted parcels including total acquisitions and business relocations)
  - TxDOT currently developing ROW maps for the project and will begin ROW appraisal and acquisition process
  - ROW status will be updated during the procurement process and TxDOT will continue acquisition process until contract execution
  - Upon contract execution, the DB Contractor will complete remaining TxDOT ROW acquisition efforts

Project Status (continued)

- Utilities
  - Major ONCOR transmission line within project limits and TxDOT is working with ONCOR to develop relocation requirements/schedule
  - DB Contractor will be responsible for determining and performing all necessary relocations/adjustments
  - TxDOT currently undertaking additional utility explorations and Level A-D subsurface utility engineering (SUE) will be provided prior to issuance of final Request for Proposals (RFP)
- Hazardous Material Investigations
  - Ongoing as part of the EA

Project Status (continued)

- Geotechnical
  - TxDOT is conducting geotechnical investigations and will provide information during the procurement process as it becomes available
  - Preliminary boring location map available as part of the RFQ RIDs
  - Shortlisted Proposers may conduct non-destructive activities on TxDOT ROW or available private property (subject to right of entry and permitting)
- Railroad
  - Two railroad crossings within project limits with one requiring the construction of a temporary shoo-fly
  - TxDOT is coordinating the development of the Exhibit A documents with Union Pacific Railroad and the Exhibit A documents will be included as part of the final RFP

Project Challenges

- Construction phasing
  - Lane closures and limited staging area for construction activities
- Traveling impacts during construction
  - Traffic incident management/emergency response
- ROW acquisition efforts
- Utility relocation and coordination
- Business impacts/parcel accessibility during construction
- Noise/dust mitigation adjacent to neighborhoods
- Drainage design

DESIGN-BUILD PROCUREMENT PROCESS

Design-Build Procurement Process – QS Evaluations

THE PROCUREMENT PROCESS

Request for Qualifications → QS Evaluations (Shortlisting) → Request for Proposals → Conditional Award

- Two step procurement process
  - RFQ
  - RFP
- Qualifications Statement (QS) Evaluations (Shortlisting) – How each QS will be evaluated:
  - Project Qualifications and Experience (65% weighting)
  - Statement of Technical Approach (25% weighting)
  - Safety Qualifications (10% weighting)

Design-Build Procurement Process – QS Evaluations

Project Qualifications and Experience (65%)	Points
Experience with designing comparable projects	12
Experience with constructing comparable projects	12
Experience with performing quality assurance on comparable projects	12
Experience with maintaining comparable projects	5
Strength of the proposed organization and management structure	8
Experience of the proposed Key Personnel *(see next slide)*	12
Experience with DBE outreach and involvement and previous experience working with DBEs	4

Design-Build Procurement Process – QS Evaluations

Key Personnel Experience	Points
Project Manager	2.5
Construction Manager	1.5
Design Manager	1.5
Lead Maintenance of Traffic Design Engineer	1.5
Independent Quality Firm Manager	1.5
Professional Services Quality Assurance Manager	0.5
Maintenance Manager	1
Safety Manager	1
Lead Maintenance of Traffic Implementation Manager	1

Design-Build Procurement Process – QS Evaluations

Statement of Technical Approach (25%)	Points
Understanding of the Project's scope and complexity	7
Understanding of the Project's risks and potential solutions	15
Ability to secure and integrate DBEs for a project of the size and complexity of this Project and provide potential solutions to address issues and challenges	3

Design-Build Procurement Process – QS Evaluations

Safety Qualifications (10%)	Points
Fatal injury rate per 100,000 full-time workers	3
Incidence rate of injury and illness cases per 100 full-time workers	4
National Council on Compensation Insurance (NCCI) experience modifier	3

Design-Build Procurement Process – QS Evaluations

- DB Contractor Prequalification
  - Valid letter required from Proposer entity indicating Adjusted Bidding Capacity with QSs (Volume 2, Section D)
  - Required from each Proposer, any Equity Member(s), and Guarantor(s)
  - TxDOT will consider Proposer's Aggregate Available Bidding Capacity when determining financial capability
    - **Aggregate Available Bidding Capacity** - the amount equal to the sum of the Available Bidding Capacity for each of the Proposer, Equity Member(s) and any Guarantor(s)
  - TxDOT may require a plan from Proposer demonstrating how and when necessary Aggregate Available Bidding Capacity will be achieved

Design-Build Procurement Process – QS Evaluations

- DB Contractor Prequalification
  - Prequalification instructions are available at: https://www.txdot.gov/business/contractors/contractor-prequalification.html
  - To ensure expeditious analysis by TxDOT review staff:
    - Confidential questionnaire must be filled out entirely
    - Financial data and audited financial statements should be organized within the document
    - Financial statements must be prepared for the qualifying entity
    - Financial statements, no older than one year, must be prepared by a CPA firm
      - If financial statements are prepared for the parent company, there must be a consolidating balance sheet reflecting the qualifying entity's numbers separately

Design-Build Procurement Process – QS Evaluations

- DBE Information Forms
  - Form J-1
    - To be completed by each Proposer, Equity Member(s), Lead Contractor, Lead Engineering Firm, and any other entity providing engineering or construction experience in RFQ Forms D-1 and D-2
    - To include information on **all** DBEs subcontracted within the last 3 years with a contract value over $1 million
  - Form J-2
    - Part I to be completed by each Proposer, Equity Member(s), Lead Contractor, Lead Engineering Firm, or any other entity providing engineering or construction experience in RFQ Forms D-1 and D-2
    - Part II to be completed by the DBE entity
    - TxDOT will randomly select DBE references identified in Form J-1 to send Form J-2 for completion
    - Completed forms will be used as TxDOT deems fit to supplement evaluation of the QSs
    - The number of Forms J-1 received and the number Forms J-2 completed, or lack thereof, **will not** be considered during evaluations

Design-Build Procurement Process – QS Evaluations

- Tangible Net Worth
  - Financial capability to carry out Project responsibilities is a pass/fail requirement of the QS evaluations
  - While a number of factors are considered, Proposer must demonstrate a combined Tangible Net Worth of $275 million in order to pass
- Payment and Performance Bonds
  - QS shall contain evidence Proposer can obtain Payment and Performance Bonds each totaling $1.495 billion
    - Form letter located in RFQ, Exhibit E

Design-Build Procurement Process – QS Evaluations

- Organizational Conflicts of Interest
  - Firms that are providing **preliminary engineering or architectural services** for the Project or have provided such services will be prohibited unless TxDOT has issued a written determination that all work product prepared by the firm and other information and data provided to the firm in the performance of the services has been or will be made available to all Proposers prior to the issuance of the final RFP
  - Firms that are providing or have provided **environmental services** for the Project will be prohibited unless TxDOT has issued a written determination that the firm is not prohibited
  - Firms that are providing **procurement services** will be prohibited from proposing or joining a Proposer team

Design-Build Procurement Process – Proposed Procurement Timeline

Milestone	Date
Issue RFQ	January 17, 2020
Qualifications statements due	March 3, 2020
Commission action to issue RFP	April 30, 2020
Issue final RFP	Summer 2020
Proposals due	Winter 2021
Commission action to approve conditional award	Spring 2021
Contract execution	Summer 2021
Construction completion	Spring 2027

Design-Build Procurement Process – Proposer Responsibilities

- Proposers are responsible for monitoring the Project webpage for information:

  https://www.txdot.gov/inside-txdot/division/debt/strategic-projects/alternative-delivery/seconnector.html

- Proposers are advised that responses to questions posed at this workshop are considered to be on an informational basis only and are not binding on TxDOT
- The process for official questions and answers is provided in the RFQ
- TxDOT may respond to those questions that TxDOT deems to be material and not adequately addressed
- TxDOT will post any such responses and all addenda to the RFQ on the Project webpage

Design-Build Procurement Process – Proposer Responsibilities

- Proposers are responsible for ensuring QSs are delivered by hand or courier to "TxDOT's Authorized Representative" at the following address:

Juan Vallés, P.E.
Project Finance, Debt & Strategic Contracts Division
Texas Department of Transportation
7600 Chevy Chase Drive, Building 2, Suite 400
Austin, Texas 78752

- QSs will be accepted and must be received by TxDOT during normal business hours before 12:00 p.m. (Central Time) on Tuesday March 3, 2020
- QSs not received prior to such time on the QS due date will not be considered by TxDOT for evaluation or shortlisting

QUESTIONS?

DBE PROGRAM REQUIREMENTS ON DESIGN-BUILD PROJECTS

Regulatory Authority

Code of Federal Regulations (CFR)

Title 49 – Transportation

Subtitle A – Office of the Secretary of Transportation

Part 26 – Participation By Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs

49 CFR Part 26

Regulatory Authority

- 49 CFR Part 26.13

  All recipients and subrecipients must comply with the requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Includes sanctions for noncompliance.

- 49 CFR Part 26.37

  Ensure that work committed to DBEs is performed by DBEs. *Requires a written certification.*

- 49 CFR Part 26.53

  The DB Contractor must document that it has obtained enough DBE participation to meet the goal or document that it made adequate good faith efforts to meet the goal.

- 49 CFR Part 26.55

  The DBE must perform a Commercially Useful Function (CUF).

DBE Program Objectives

- Ensure non-discrimination in the award and administration of U.S. DOT-assisted contracts
- Create a level playing field on which DBEs can compete fairly for U.S. DOT-assisted contracts
- Ensure that the DBE program is tailored in accordance with applicable law
- Ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs
- Help remove barriers to the participation of DBEs in U.S. DOT-assisted contracts
- Promote the use of DBEs in all federally-assisted contracts and procurements
- Assist the development of firms that can compete successfully in the marketplace outside the DBE program

DBE Definition

- A for profit small business concern certified through the Texas Unified Certification Program that is at least 51% owned by one or more individuals who are both socially and economically disadvantaged, and
- Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it

Texas Unified Certification Program

Texas Unified Certification Program (TUCP) certifying member entities:

- City of Austin
- City of Houston
- Corpus Christi Regional Transportation Authority (CCRTA)
- North Central Texas Regional Certification Authority (NCTRCA)
- South Central Texas Regional Certification Authority (SCTRCA)
- Texas Department of Transportation (TxDOT)

Texas Unified Certification Program

- A small business that is DBE certified by any one of the TUCP member entities is automatically DBE certified with TxDOT
- Only those DBEs listed in the TUCP DBE Directory with the "DBE" designation are eligible to be used for DBE goal attainment
  - DBE is a federal program and certification
  - HUB, SBE, MBE, WBE, etc., are local certifications that cannot substitute for DBE and do not count towards DBE goal attainment
- The TUCP DBE Directory is located at: https://txdot.txdotcms.com

DBE Goals

Race-Conscious Participation (RC)

Federally Funded Projects with Goals

DB Contractor

- Submit enough DBE participation on commitments/utilization plan to meet the goal
- NAICS codes specific
- Submit adequate good faith efforts (GFEs) to meet the goal
- Report payments to DBEs
- DBE must be performing a CUF

Race-neutral participation
- *DBE participation beyond the goal*
- *DBEs on the contract, but not on the contractor's utilization plan*

Race-Neutral Participation (RN)

Federally Funded Projects without Goals

DB Contractor

- DBEs not being counted toward contract goal
  - No commitment
  - Prime report payments to DBEs
- DBE primes
- DBE must be performing a CUF

TxDOT Overall Annual Goal

FY 20-22
Overall Goal 14.4%
(RC + RN)

- RC goal = 7.5%
- RN goal = 6.9%
- The goal represents a percentage of federal dollars
- TxDOT must meet the goal or show GFEs

TEXAS CLEAR LANES

Procurement

- The RFQ was released on Friday, January 17, 2020
- TxDOT currently anticipates a split DBE goal for construction and professional services
  - 14.5% for construction
  - 23.0% for professional services

Award of Contract

- TxDOT is considering requiring Proposers to submit a draft DBE Performance Plan with their Proposals
- The DB Contractor will submit a final DBE Performance Plan as a condition to contract execution

DBE Forms: www.txdot.gov/business/partnerships/dbe-forms.html

DBE Performance Plans

- Written by DB Contractor and approved by TxDOT
- Includes the following information:
  - Good faith efforts DB Contractor will implement
  - Work items available for subcontracting opportunities for DBEs
  - Outreach efforts
  - Tracking and reporting DBE participation

Subcontract Agreements and Purchase Orders

- DB Contractor is required to enter into a subcontract agreement or purchase order (PO) with the DBEs
- Subcontract agreement or PO must be greater than or equal to the committed dollars
  - Must contain the same items and estimated quantities of work as the commitment or more
  - DBE must be certified when the subcontract agreement or PO is signed and dated

Subcontract Agreements and Purchase Orders

- Termination/substitution and payment clauses do not override the language within the DBE Special Provision in the TxDOT contract
- In all cases the most current version of 49 CFR Part 26 prevails
- Subcontracts and POs without a commitment are viewed as race-neutral DBE participation

Goal Credit and Counting

- DBEs must self-perform 30% of the work with its own forces
- Any work the DBE subcontracts to a non-DBE will not count toward the goal
- DBEs must perform a CUF
- Any materials the DBE receives from the DB Contractor or its affiliates will not count toward the goal
- DBEs terminated without TxDOT's prior written approval will not count toward the goal
- Any work committed to a DBE and performed by the DB Contractor, the DB Contractor's affiliates, or any other firm will not count toward the goal

Diversity Management System

- DB Contractor will be required to use the Diversity Management System (DMS) online tracking system or a similar system
- DBE commitments and prompt payment reporting are made through DMS
- All primes must have registered accounts in DMS
  - All DBEs have accounts in DMS
    - All first-tiered non-DBEs using DBE participation must have accounts in DMS
    - All second-tiered or other tiered non-DBEs performing work or services for DBEs must have registered accounts in DMS

Diversity Management System

- Access the DMS homepage at: https://txdot.txdotcms.com
- Contact the Civil Rights Division at (512) 416-4700 or the District DBE Coordinator to get log-in credentials for DMS

Monitoring Compliance

- Fort Worth District staff will monitor the Project for compliance with all aspects of the DBE program including, but not limited to:
  - Approving subcontractors prior to performing work on the Project
  - Monitoring the DB Contractor's good faith efforts to achieve the Project DBE goal
  - Monitoring the DB Contractor's efforts to offer opportunities to DBEs
  - Obtaining and reviewing subcontracts and purchase orders for DBEs
  - Monitoring prompt payment
  - Reviewing and/or conducting CUF reviews

Monitoring Compliance

- Monitor and verify payments to DBEs
  - Prompt payment
    - Pay the subcontractor for work performed within 10 days after receiving monthly draw requests for the work performed by the subcontractor
    - DB Contractor is encouraged to pay DBEs upon receipt of a proper invoice even if the DB Contractor has not been paid
- Review and approve termination requests
  - No substitutions of DBEs without good cause and written TxDOT approval
- Respond to any complaints from DBEs

Texas Department of Transportation

Civil Rights Division

(512) 416-4700

CIV_Compliance@txdot.gov

QUESTIONS?

THANK YOU

Design-Build Procurement Process – Proposed Procurement Timeline

Milestone	Date
Issue RFQ	January 17, 2020
Qualifications statements due	March 3, 2020
Commission action to issue RFP	April 30, 2020