



Corridor Program

Congestion Relief & Bus Rapid Transit Projects

September 24, 2008

ATTENTION: All Short-Listed Proposers

RE: I-405, I-5 TO SR 169 STAGE 2 WIDENING
Design-Build Project
Notice No. 2 of Anticipated Changes in Draft Request for Proposals (RFP)

The purpose of this document is to identify some of the more significant anticipated revisions between the Draft Request for Proposal (RFP) documents, distributed on June 27, 2008 to the “short-listed” firms, and the unreleased Final RFP. The anticipated revisions in this Notice are in addition to the anticipated revisions distributed on July 21, 2008. This is not a comprehensive list of changes. All official changes will be reflected in the Final RFP document, with the modifications shown in track changes mode. Should there be a difference between this Notice and the Final RFP, the Final RFP will take precedence.

The following revisions are anticipated for the Instructions to Proposers:

1. On Page 4, Section 1.3.8 **Minority and Women’s Business Enterprise (MWBE) Participation**, delete line 20 through 41.
2. On Page 24, Section 3.3.6 **Preliminary Baseline Contract Schedule (Section 5)**, delete “June 30, 2011” and replace with “December 31, 2011”.
3. On Page 30-31, Section 3.3.9.3 **Evaluation Criteria**, delete line 38 through 14 and replace with the following text:

WSDOT will evaluate Section 8 of the Proposal based on the following criteria listed in order of descending importance:

- The extent to which the ECM’s past experience demonstrates their success in delivering environmental compliance on projects similar to the Project. Projects will be deemed similar on the basis of size, complexity, geographic location, and type of work, such as urban interstate or major highway projects.
- How the ECM will contribute to the overall success of the Project.
- The level and type of environmental protection training provided to the Project staff. Staff could include design and construction staff, quality assurance personnel, sub-contractors, and other members of the Proposer’s team.
- The extent to which the Proposer commits to providing environmental protections, as described in the Violation Avoidance Narrative, that meet or



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exceed the Contract requirements (e.g., Temporary Erosion and Sediment Control Plan, Spill Prevention Containment Control Plan, delineation of wetlands, and installation of high-visibility construction fencing).

- The extent to which the ECM meets or exceeds the minimum and preferred qualifications included in Section 2.8 of the Technical Requirements.
- The Proposer’s approach to meeting all environmental commitments.
- The processes and procedures required for the Environmental Communications Protocol.

4. On Page 34, Section 3.3.13 **Price Proposal (Section 9)**, insert the following after line 7:

E. Form R (Steel Escalation Value Worksheet). Form R includes a worksheet to be filled in by the Proposer for the purpose of establishing the average Price Per Pound (PPP) and quantity, in pounds, of Structural Steel products (SS) that will be eligible for the Steel Escalation Cost Adjustment provision in Section 1-09 of the General Provisions. The total quantity of Structural Steel eligible for steel escalation price adjustments over the life of the Project shall not exceed the actual quantity, in pounds, of Structural Steel (SS) designated in Form R.

5. On Page 34, Section 3.3.13 **Price Proposal (Section 9)**, delete line 10 and replace with “the sum of the Proposal Price and the Steel Escalation Value (SEV) is less than or equal to the upset amount.”

6. On Page 37, Section 4.2.2 **Upset Amount**, lines 12 through 14, delete the first sentence and replace with “As part of the responsiveness evaluation, WSDOT will review Form C provided in each Price Proposal package to determine if the respective sums of the Proposal Price and the SEV from Form R are less than, equal to, or greater than the Upset Amount.”

7. On Page 40, Section 4.5.1 **Proposal Rating**, delete line 5 and replace with the following:

$$\text{Score} = \frac{T \times \$10,000,000}{\$P + \text{SEV}}$$

8. On Page 40, Section 4.5.1 **Proposal Rating**, insert “SEV = Steel Escalation Value (from Form R)” after line 16.

9. On Page C-1, Form C **Upset Amount Determination**, delete line 6 and replace with “Is the sum of the Total Proposal Price and the Steel Escalation Value from Form R less than or equal to the Upset Amount (\$110,000,000)?”



The following revisions are anticipated for Chapter 1:

1. On page 173, Section 1-09.9(1).1 **Maximum Rate of Payment**, replace “\$21,8000,000” with “\$10,900,000” in two locations in the second paragraph.
2. On Page 177, Section 1-09.9(2) **Payment**, insert the following at the end of the section:

Steel Escalation Price Adjustment

- A. **GENERAL:** This provision provides for an adjustment in the Contract Price to address fluctuations in certain steel-based material costs which may occur over the life of the Project. A price adjustment, if any, is dependent upon an increase or decrease in the Bureau of Labor Statistics - Producer Price Index listed below. Regardless of the actual variations in allowable material costs incurred by the Design-Builder during the Project, price adjustments, if any, shall be made solely in accordance with the procedures specified herein.
- B. **INDEXED MATERIAL:** Only materials permanently incorporated into the work are eligible for a price adjustment. Allowable materials are as follows.
 1. Structural steel shapes and plates. (hereinafter “Structural Steel”). This does not include rebar.
- C. **INDEX:** Price adjustments made pursuant to this Section are based on the Bureau of Labor Statistics (BLS), Producer Price Indexes (PPI) for commodities. Seasonally adjusted indices shall not be used. The specific index applicable to this Project is as follows:
 1. Structural Steel: Index: WPU1017 (Steel Mill Products).
- D. **BENCHMARK INDEX (BI):** The BLS PPI index for the month and year of the Proposal Due Date.
- E. **MONTHLY INDEX (MI):** The BLS PPI index for the month and year at the Time of Price Establishment (TOPE).
- F. **PROVISION FOR MISSING DATA:** If either the Benchmark Index or the Monthly Index is unavailable, use the "next higher-level series" for both the Benchmark Index and the Monthly Index. Refer to BLS "Escalation Guide for Contracting Parties" on the web at <http://www.bls.gov/ppi/ppiescalation.htm> for details on how to use the next higher-level series.
- G. **TIME OF PRICE ESTABLISHMENT (TOPE):** The Time of Price Establishment is the month and year when the purchase price of the Indexed Material(s) is fixed between (1) the steel mill or steel supplier and (2) the initial purchaser for the purposes of the Project. The Design-Builder shall submit documentation to the Department establishing the Time of Price Establishment. In no case shall the TOPE be established later than the month and year the Indexed Material(s) is actually shipped from the steel mill or steel supplier to the initial purchaser.



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- H. COST BASIS (CB): The average unit price per pound (PPP) of Structural Steel eligible for a price adjustment contained in the Proposal on the Proposal Due Date, as indicated by the Design-Builder in Form R of the Proposal. The CB excludes overhead, profit, freight, transportation, and fabrication charges.
- I. THRESHOLD: No adjustment will be allowed during any month in which the Monthly Index (MI) varies 5.00 % or less from the Benchmark Index (BI), as a percent of the benchmarked index. No price adjustment will be made for products with a Time of Price Establishment (TOPE) occurring before the Proposal Due Date. Determine the percent change in any given month as follows:

$$\%Change = \left(\frac{|MI - BI|}{BI} \right) \times 100$$

Where:

- MI* = Monthly Index
- BI* = Benchmark Index

- J. QUANTITY ELIGIBLE FOR ADJUSTMENT (Q): A price adjustment in a given month, if any, shall be based on the actual number of pounds of Index Materials that have a Time of Price Establishment in that month. In no case shall the quantity of Structural Steel eligible for a price adjustment over the life of the Project exceed the maximum quantity of steel products (SS) indicated in Form R of the Proposal by the Design Builder.
- K. DETERMINING ADJUSTMENTS: The Design-Builder shall perform all calculations and accounting , and provide documentation required by this Specification, necessary to implement payment or credit for the Steel Escalation Price Adjustment, as part of the monthly invoicing procedure. All price adjustments, if any, shall be determined using the Adjustment Formula listed in this Section. The Design Builder shall track the Index on a monthly basis and for every month in which 3 of 4 the Threshold is met, submit a full accounting of all calculations and documentation supporting a price adjustment to the Department for approval. The accounting shall, at a minimum, contain certified invoices listed in chronological order and contain a tabulation of quantity, the order date, and the Time of Price Establishment. These invoices shall be subject to audit verification. The indices published by BLS are subject to revision up to 4 months after initial publication. Design-Builder shall update the calculations and resubmit to the Department if the values initially published by BLS change.

L. ADJUSTMENT FORMULA

When $MI > BI$:

$$PA = \left[\left(\frac{MI - BI}{BI} \right) - 0.05 \right] (CB)Q$$

When $MI < BI$:



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$$PA = \left[\left(\frac{MI - BI}{BI} \right) + 0.05 \right] (CB)Q$$

Where:

- PA* = *Payment Adjustment, dollars*
- MI* = *Monthly Index*
- BI* = *Benchmark Index*
- Q* = *Quantity of eligible Structural Steel shipped in a given month, in pounds. NOTE: For limitation on Q over the life of the Project, see item J above.*
- CB* = *Cost Basis for eligible Structural Steel in dollars per pound.*

- M. AUDITS: Records of the initial purchaser of the Indexed Material shall be open to audit by the Department, in accordance with Section 1-09.12 of the General Provisions.
- N. PAYMENT: Payment or credit will be made pursuant to the bid item “Steel Escalation Price Adjustment”.

The following revisions are anticipated for Chapter 2:

- 1. On Page 2.8-18, Section 2.8.5.3.10 **Hazardous Materials**, insert the following after line 14:

Two Underground Storage Tanks (USTs) have been identified within the Project area at the former Holmes Electric property located at 1422 Raymond Avenue S.W. Additional information regarding the USTs can be found in the I-405, Tukwila to Renton Improvement Project (I-5 to SR 169 Phase 2) Hazardous Materials Technical Memorandum (Appendix E20). The Design-Builder shall remove these USTs in accordance with Chapter 173-360 WAC. The Design-Builder shall notify Ecology at least 30 Calendar Days prior to beginning tank removal. This written notification shall be submitted on a 30-Day Notice Form. All costs to remove the UST, document the removal, and comply with applicable Federal and State regulations for USTs shall be included in the Design-Builder's lump sum bid.

WSDOT conducted additional soil investigations at the Holmes Electric property (Appendix E24). The Design-Builder shall process the soils at this location in accordance with the recommendations in Appendix E24.

- 2. On Page 2.10-12, insert the following after line 4:

2.10.6.1.1 City of Renton

The Design-Builder shall allow the City of Renton five months to relocate any conflict with City of Renton Category 1 Utilities, unless additional environmental permits are required. The five months shall begin upon receipt by the City of Renton of a written notice of conflict from the Design-Builder. The notice of conflict shall not be issued until sufficient Project design has



been completed in the area of the Utility conflict to identify the Utility conflict and the need for relocation. The Design-Builder shall schedule and hold coordination meetings with the City of Renton within the first month after the notification to discuss the nature of the conflict, evaluate avoidance and relocation options, finalize the scope, and identify the roles and responsibilities for design and construction of the relocation Work.

- 3. On Page 2.22-7, insert the following after line 36:

2.22.3.3.12 King County Metro Coordination

The Design-Builder shall coordinate with King County Metro at least 21 Calendar Days in advance of removing any transit facility structures (e.g. shelters, boards, kiosks, and bus stop signs). The Design-Builder shall coordinate with King County Metro at least seven Calendar Days in advance of any Work resulting in closures on roads which buses operate that will force them to be re-routed; a temporary closure/relocation of a bus stop; or a limitation of full access to a bus stop by coaches and pedestrians/passengers.

- 4. On Page 2.27-1, delete lines 3 through 20 and replace with the following:

2.27.1 MWBE PARTICIPATION

The Design-Builder shall submit a MWBE Participation Plan to WSDOT for Review and Comment within 30 Calendar Days of Notice to Proceed. The MWBE Participation Plan shall detail the Design-Builder’s methodology for achieving the MWBE voluntary goal in the amount of 13 percent (13%) of the Contract price. Although the MWBE goal is voluntary, the outreach efforts to provide MWBEs with maximum practicable opportunities are not. *MWBE Participation Drafting Guidelines* are included in Appendix K2.

2.27.2 REPORTING OF VOLUNTARY MWBE GOALS

The Design-Builder shall certify the amounts paid to MWBEs that were used as subcontractors, lower tier subcontractors, manufacturers, regular dealers, or service providers on the Contract. The certification shall be submitted to WSDOT using WSDOT Form 421-023, “Annual Report of Amounts Paid as MBE/WBE Participants”. The certification shall include information for Washington State’s fiscal quarters of July 1st through September 30th, October 1st through December 31st, January 1st through March 31st, and April 1st through June 30th; or through Physical Completion of the Contract, whichever occurs earliest. The certification shall be submitted no later than 21 Calendar Days after each fiscal quarter-end, and 28 Calendar Days after Physical Completion of the Contract.