

**Factoria Recycling and Transfer Station
Contractor Selection Report
Contract C00678C12**

Prepared in accordance with
Ordinance 17435, Section 2

April 2014



King County

Department of Natural Resources and Parks
Solid Waste Division

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Executive Summary

Ordinance 17435 approved the use of a competitive negotiation process consistent with RCW 36.58.090 to procure a contractor for construction of the Factoria Recycling and Transfer Station (new station). Ordinance 17435 also approved criteria to be used in contractor evaluation, and required that recommendation of a contractor be provided to the King County Council in a written report transmitted within 45 days of the determination of the most qualified contractor.

The new station will be built on the site of the existing Factoria Transfer Station and on adjacent property purchased by the Solid Waste Division of the Department of Natural Resources and Parks. The development of the new station and deconstruction of the existing station will involve complex construction, scheduling, and contractor/subcontractor coordination.

Acting as the designated representative of the Council, the division evaluated six contractors who submitted Statements of Qualifications, and determined a short list of the four most qualified contractors. The short-listed contractors were asked to submit proposals for additional evaluation and scoring. Three contractors submitted proposals. Proposals were evaluated using Council-approved criteria and scored. Meetings were held with each of the three finalists who were asked to revise and provide additional detail on specified areas of the Request for Proposals and to provide that information with a final price proposal and price breakdown as a Best and Final Offer. Scores from evaluation of the Best and Final Offers were added to scores from the RFP evaluation to determine the final scores and rankings of the finalists and to initially determine the contractor best qualified to undertake construction of the new station.

Standard County Terms and Conditions and General Provisions for construction projects are included in the contract documents including standard bonding, insurance and indemnification/hold harmless requirements. In addition, a Project Labor Agreement between King County and representative unions has been executed for this project. The selected contractor and its subcontractors are required to comply with the Project Labor Agreement as set forth in the contract documents.

Benefits derived from use of the competitive negotiation process for contractor selection include better understanding of the project by interested contractors and selection process finalists, as well as refinement and improvement of the contract and project design documents.

After evaluation and scoring of documents submitted by interested contractors, PCL Construction Services, Inc. received the highest score and is considered the most likely to fulfill the contract according to its letter and spirit. PCL scored highest in technical strengths, price and Small Contractor and Supplier participation categories and second highest in the financial resources category, and highest overall. PCL has been initially determined to be the contractor best qualified to provide construction services for the new station and is recommended for the award of this contract.

Background

Ordinance 17435 authorized the division to use the competitive negotiation contracting method under RCW 36.58.090 to select a contractor for construction of the Factoria Recycling and Transfer Station (new station). RCW 36.58.090 allows County legislative authorities to authorize the use of a competitive negotiation procurement process for construction of publicly-owned and operated transfer stations where they are an "integral part of a solid waste processing facility located on the same site." The new station will be an integrated processing and transfer facility, providing for the handling of source-separated wastes, separation of commingled wastes, volume reduction by compaction or baling, and transfer of recyclable materials and solid waste to other facilities.

Project Scope

The new station will be built on the site of the Factoria Transfer Station (existing station) and on adjacent property purchased by the division. Construction will include a waste processing, recycling and transfer building; a household hazardous waste processing building; retaining structures; a trailer parking yard; installation of concrete and asphalt paving and site utilities; wetland and stream enhancement; and deconstruction of existing buildings. The new station will incorporate many improvements including:

- recyclables collection;
- an enclosed transfer building which will minimize noise, dust, and odors;
- garbage compactors which will decrease the number of division truck trips required, saving money and decreasing greenhouse gases;
- sustainable building features which will improve energy efficiency and result in lower life cycle costs than a conventional building design;
- a flat floor design which will provide flexibility in materials handling, enabling preparation for increased recycling or alternative technologies; and
- a separate building on site which will provide safe collection of household hazardous waste (HHW).

The existing station will remain open during construction of the new station. The development of the new station and deconstruction of the existing station will involve complex construction, scheduling, and contractor/subcontractor coordination.

To mitigate the risk of increased costs and schedule delays caused by labor disputes and labor uncertainties, a Project Labor Agreement was developed for this project. Project Labor Agreements used on other county projects have resulted in significant benefits and increased efficiency by providing one county point-of-contact to address issues as they arise and one set of working conditions for all the contractors involved. The Project Labor Agreement for the new station was signed by 21 building trades unions.

The new station is a Leadership in Energy and Environmental Design (LEED) registered project and attainment of a minimum of LEED Gold certification is a project requirement.

Contractor Evaluation and Selection

The contractor evaluation was carried out by an evaluation team overseen by the Factoria Project Oversight Committee (oversight committee). The oversight committee is comprised of the Director of the Department of Natural Resources and Parks, the Director and Assistant Director of the division and the manager of the division’s Engineering Services Section. The oversight committee provides oversight to ensure that the process is fair and reasonable, that the evaluation team is staffed appropriately and to determine whether evaluation team recommendations should go forward.

The evaluation team was staffed as indicated in the table below.

Team Member	Representing	Input to Evaluation of ¹ :
Managing Engineer	DNRP/SWD/Engineering Services Section (ESS) – Transfer Facility Engineering Unit	Technical Criteria
Engineer III (2)	DNRP/SWD/ESS – Transfer Facility Engineering Unit	Technical Criteria
Project/Program Manager III (CPA)	DNRP/SWD/Planning and Communications Section	Financial Resources
Contract Specialist	DES/FBO – Business Development & Contract Compliance	Small Contractor and Supplier Participation and Outreach
Project Labor Agreement Administrator	DNRP/SWD/ESS – Transfer Facility Engineering Unit	Technical Criteria (Project Labor Agreement related)

¹ Price proposals were scored by the Procurement and Contract Services Section of the Finance and Budget Office using an established formula.

In August 2011, the County advertised within the construction community to solicit comments on its plan to use the competitive negotiation process to hire a contractor to construct the new station. No comments were received.

The criteria used for the evaluation process were developed in compliance with RCW 36.58.090(2) and approved for use on this project by Ordinance 17435 as modified by Ordinance 17618. The Council-approved criteria were¹:

Technical Criteria:

- Specialized experience and technical competence
- Record of past performance
- Current and projected work load for proposer’s key personnel
- Safety program
- Environmental protection and mitigation
- Staging
- Approach to quality assurance and quality control
- Approach to construction

- Project schedule
- Coordination of construction activities with on-going facility operations
- Contract closeout and warranty administration

Price Proposal Criteria:

- Price proposal

Small Contractor and Supplier Criteria:

- Small Contractor and Supplier (SCS) participation and outreach plan and

Financial Resources Criteria

- Financial resources

¹ Criteria are grouped and listed in a different order than approved in the ordinances to facilitate discussion of evaluation process and results.

1. Request for Qualifications

On December 20, 2012 the County advertised the Request for Qualifications asking for Statements of Qualifications from experienced and qualified teams interested in submitting proposals for the Factoria Recycling and Transfer Station project. On February 21, 2013 six contractors submitted Statements of Qualifications. The Statements of Qualifications were evaluated to determine a short list of the most qualified contractors with the specialized experience and technical competence to successfully deliver and complete the project. Scores from this evaluation were used to develop a short-list of qualified contractors and were not carried forward into scoring of proposals and Best and Final Offers. The short-listed contractors were (in alphabetical order):

- Bayley Construction;
- Bristol Alliance of Companies;
- Lydig Construction, Inc.; and
- PCL Construction Services, Inc.

2. Request for Proposals

On August 6, 2013, a Request for Proposals was sent to the short-listed contractors. Contractors were informed that the County would accept proposals only from the short-listed contractors. The Request for Proposals included the selection criteria, specifications, and final design documents as well as bonding and insurance requirements. In September 2013, one-on-one meetings were held with each proposer. One of the proposers, Bristol Alliance of Companies, voluntarily withdrew from the process on October 18, 2013.

On October 29, 2013, proposals were received from Bayley, Lydig, and PCL. The proposals were evaluated and scored by members of the evaluation team.

In December 2013, Technical and Commercial meetings were held to give each proposer an opportunity to explain their proposal and ask clarification questions about contract documents. These meetings also allowed the County the opportunity to ask questions and provide comments on each technical proposal, and included discussion of the proposers' Small Contractor and Supplier commitment and their understanding of the Project Labor Agreement. The Commercial meetings gave each proposer an opportunity to explain and clarify price

proposals. The County used information from the Technical and Commercial meetings to develop the Request for Best and Final Offer.

All three of the proposers were selected to advance to the Best and Final Offer process.

3. Request for Best and Final Offer

On January 22, 2014, the Request for Best and Final Offer was issued to the finalists. The Request for Best and Final Offer provided the finalists with an opportunity to further clarify information on selected evaluation criteria to be re-scored. Technical information, revised total contract price and corresponding revised price breakdown were received from each of the finalists in February 2014. Evaluation of each finalist's Best and Final Offer was conducted by the evaluation team.

At the completion of this process, scores were presented to the oversight committee for approval to move forward with recommendation of the top-ranked finalist. The oversight committee concurred with the evaluation team's results and recommendations.

4. Evaluation Results

Results of the evaluation are described below.

Technical Criteria included eleven of the Council-approved evaluation criteria and were allocated 55 percent of the total points. All finalists met minimum requirements in this category, but had varying degrees of understanding of the major issues and difficulties associated with the project. PCL and Lydig provided more detail about their approach to construction compared to information provided by Bayley. PCL's plans for each phase of construction and for the use of the adjoining Eastgate property for field offices and staging of construction materials also included extensive information with more detail than provided by either of the other finalists. PCL included an outstanding discussion and description of how they would access the site during each phase of construction, including construction of a temporary road that decreases anticipated transport time for moving materials from the staging area to the construction site without impacting existing traffic flow at the station or on surrounding streets. Of the three finalists, PCL demonstrated the best use of current technology, providing information indicating knowledge of and experience with Building Information Modeling (BIM) including plans to tie use of BIM to the construction schedule. PCL also included an approach to both surface and groundwater management that included plans to manage work during seasonal rainy periods. To develop these plans, PCL hired a consultant to provide anticipated volumetric surface water flow rates, a step not taken by the other finalists. PCL included a detailed plan to keep neighbors informed of construction activities, monitor noise, and minimize interruptions, again providing more information and a better approach to the project.

Price Proposals were allocated 30 percent of the total points and were scored based on an established County formula. The range between the high and low prices submitted by the finalists was only \$298,001, and all finalists were within one percent of the engineer's estimate for construction of the new facility. PCL submitted the lowest price proposal and was ranked highest of the finalists in the price proposal criterion, followed by Bayley and Lydig.

Small Contractor and Supplier participation and outreach accounted for ten percent of the point allocation and was scored both on the percentage of small contractor and supplier participation committed to, and on evaluation of reports submitted detailing subcontractor utilization and outreach plans. Small Contractor and Supplier utilization for this contract was established at a minimum of 15 percent of the total contract amount. All of the finalists committed to utilization percentages above the minimum. PCL had the highest combined score in this category, providing detailed information on opportunities and their overall approach to providing opportunities to Small Contractor and Supplier firms.

Financial Resources were allocated five percent of the total points available. The financial resources of each finalist's project team were evaluated for:

- ability to meet on-going business obligations, including the Factoria project;
- liquidity ratios (current and working capital ratios);
- debt ratios (including debt to assets, equity, and cash flow); and
- lines of credit.

All finalists appear financially capable to undertake the Factoria project. The financial resources ranking put the Lydig team in first place, followed by the PCL team, with the Bayley team in third place. Although PCL did not receive the highest score in this criterion, evaluators found no major financial weaknesses and had no concerns for King County entering into this contract with PCL.

The evaluation team also took into consideration the finalists' knowledge and experience working with Project Labor Agreements. While all finalists have experience with Project Labor Agreements, PCL had a much better track record of experience with them in this region and a better plan for implementation of the agreement compared with the other finalists.

Benefits Derived from Use of the Competitive Negotiation Process

The division had previous positive experience with the competitive negotiation process in the selection of the construction contractor for the Bow Lake Recycling and Transfer Station. The Bow Lake facility was completed on time and within budget.

Benefits from use of the competitive negotiation process to select a contractor for construction of the new station include:

- Allowed contractor qualifications to be considered during the selection process.
- Allowed County review of each contractor's approach to constructing the project, assisting in selection of the contractor most likely to complete construction within the contract time and contract budget.
- Increased contractor understanding of contract requirements through interaction with the County, allowing improved and more clearly defined cost development.
- Provided opportunities for contractor input regarding constructability and scheduling prior to finalizing contract documents, helping identify potential improvements, errors or conflicts which could result in fewer change orders during construction.
- Allowed County evaluation of contractors' Small Contractor and Supplier participation commitment, and utilization and outreach plans.

- Allowed evaluation of the relative financial capabilities of contractors to perform the work, helping ensure selection of a contractor with the financial resources necessary to undertake a capital project of this size and scope.
- Price proposals submitted by contractors improved and were closer in range as the process proceeded from the Proposal to the Best and Final Offer stage, and contractors gained a better understanding of contract requirements. At the Proposal stage, price proposals had a range of almost \$5.1 million between the high and low submittals and ranged from about 4 percent under to about 6 percent over the engineer's estimate. When Best and Final Offer price proposals were submitted, the range between the high and low price was \$298,001 and all were within less than one percent of the engineer's estimate.

Additionally, evaluation of the contractors' understanding and implementation of the Project Labor Agreement helped the County select a contractor with the knowledge and experience to use the agreement in a way that promotes labor harmony and advances the County's interests in cost, efficiency, quality, safety, and timeliness.

The County benefitted from the use of the competitive negotiation process, which resulted in a better understanding of the contract requirements and more accurate price proposals by contractors and provided the County with the opportunity to make improvements to contract documents based on contractor feedback during the selection process.

Conclusion

Following the competitive negotiation process in RCW 36.58.090 and using Council-approved evaluation criteria that took into account technical strengths, price, Small Contractor and Supplier participation and financial resources, PCL Construction Services, Inc. is the top ranked finalist. PCL scored highest in technical strengths, price and Small Contractor and Supplier participation, second highest financial resources, and highest overall. PCL has been initially determined to be the contractor best qualified to provide construction services for the new station and most likely to fulfill the contract according to its letter and spirit. PCL is believed to give the County the best opportunity to complete the project in a timely and cost-effective manner and is recommended for the award of this contract.



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

October 16, 2012

Ordinance 17435

Proposed No. 2012-0247.3

Sponsors Hague

1 AN ORDINANCE authorizing the solid waste division of
2 the department of natural resources and parks, to use the
3 competitive negotiation procedures set forth in RCW
4 36.58.090 to procure vendors for construction of the new
5 Factoria recycling and transfer station.

6 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

7 SECTION 1. Findings:

8 A. The King County council adopted the Final 2001 Comprehensive Solid Waste
9 Management Plan ("the plan") by Ordinance 14236 on April 16, 2001. The plan set forth
10 goals and policies intended to guide the county in providing solid waste transfer and
11 recycling programs and services in that portion of King County for which the county has
12 solid waste planning authority. One of the recommendations in the plan was for the
13 county to take necessary steps to upgrade and expand the county's existing transfer
14 station system to continue to meet regional demands for efficiency, capacity and service.

15 B. Consistent with the plan, the King County council approved the 2010 Facility
16 Master Plan for the Factoria Transfer and Recycling Station ("FMP") by Motion 13455
17 on April 11, 2011. The FMP provided a blueprint for replacing the existing Factoria
18 Transfer Station ("existing station") with a new station at the same location to provide
19 increased capacity and enhanced solid waste handling and processing services for the

20 residents of King County. The new station, to be called the Factoria Recycling and
21 Transfer Station ("new station"), will shift the focus of the station's operation from solid
22 waste transfer facility only to a facility that will process, recycle and transfer waste and
23 recyclable materials.

24 C. Construction of the new station and deconstruction of the existing station
25 require complex construction, scheduling and contractor/subcontractor coordination and
26 staging activities. The division's goal is to keep the existing station open during
27 construction of the new station. Minimal contractor interference with, or interruption of,
28 operation of the existing station is a required element of this project.

29 D. In September 2012, the King County council requested that the solid waste
30 division and the facilities management division conduct an analysis evaluating a
31 developer-delivered project delivery approach for the Factoria recycling and transfer
32 station. The analysis concluded that the Factoria recycling and transfer station should be
33 constructed using the competitive negotiation procedures in RCW 36.58.090. Similar to
34 other alternative project delivery methods, the recommended competitive negotiation
35 procedure fosters scheduling and coordination efficiencies by allowing opportunities for
36 contractor input and discussion with the county regarding design intent and
37 constructability of the project before award of a contract.

38 E. RCW 36.58.090(10) authorizes counties to use the competitive negotiation
39 procedures for construction of publicly-owned and operated solid waste transfer facilities
40 only where they are "an integral part of a solid waste processing facility located on the
41 same site." The new station will be an integrated processing and transfer facility. It will
42 provide for the handling of source-separated wastes, separation of commingled wastes,

43 volume reduction by compaction or baling or both and transfer of recyclable materials
44 and solid waste to other facilities.

45 F. The county advertised within the contractor and subcontractor community in
46 August 2011 to explain the project and to solicit comments on its plan to use the
47 competitive negotiation procedures to construct the new station. No comments were
48 received regarding the county's proposed use of the competitive negotiation procedures
49 for this project.

50 G. The county auditor has, in separate reviews, identified the importance of
51 review of alternative procurement methodologies for major capital projects, and has
52 identified the developer-delivered project delivery method as having demonstrated a
53 positive record regarding meeting project expectations on certain county projects.

54 H. Based on RCW 36.58.090 and the precedent of the Bow Lake recycling and
55 transfer station project procurement process, the competitive negotiations procurement
56 process anticipates that the council will be asked to arrive at a finding confirming, among
57 other things, that it is advantageous for the county to use that competitive negotiations
58 procurement process for awarding contracts compared to other methods.

59 I. In the spring of 2012, at the request of the council, the solid waste division
60 undertook an analysis of potential opportunities and constraints for a developer-delivered
61 project delivery approach for the Factoria recycling and transfer station.

62 J. In developing the analysis, the solid waste division consulted with the
63 prosecuting attorney's office as well as county divisions with expertise in developer-
64 delivered projects, including the facilities management division.

65 K. The analysis determined that a key factor that makes a developer-delivered
66 approach more challenging for the Factoria recycling and transfer station is the need to
67 continue operations while construction is occurring. Although provisions to address this
68 need could potentially be written into a development agreement, it would be easier to use
69 this approach on a new construction project on bare land.

70 L. Important aspects of the design have resulted from input from the city of
71 Bellevue and the project is currently in the sixty to ninety percent design phase.

72 M. Significant design savings have already been realized on the Factoria project
73 though a value-engineering process.

74 N. The Factoria recycling and transfer station is at the end of its useful life and
75 safety considerations make it important to complete the project as soon as possible. The
76 facility has reached a state of disrepair that could pose a potential safety risk. Critical
77 infrastructure, such as the roof, needs to be replaced as quickly as possible. Under the
78 circumstances, to the extent that commencing procurement of a developer-delivered
79 approach now would add time to the project, a potential safety risk to the county could be
80 exacerbated.

81 SECTION 2. The council determines that construction of the Factoria recycling
82 and transfer station may be procured utilizing the competitive negotiation procedures in
83 RCW 36.58.090. The executive, through the solid waste division of the department of
84 natural resources and parks, is authorized to evaluate the vendors based on approved
85 evaluation criteria. Upon completion of the evaluation process, the executive shall make
86 a recommendation of the most qualified vendor or vendors to the King County council.
87 The recommendation shall be provided to the council in the form of a report to the

88 council, to be transmitted within 45 days of the determination of the most qualified
89 vendor or vendors. A paper copy and electronic copy of the report shall be filed with the
90 clerk of the council, who shall distribute electronic copies to all councilmembers.

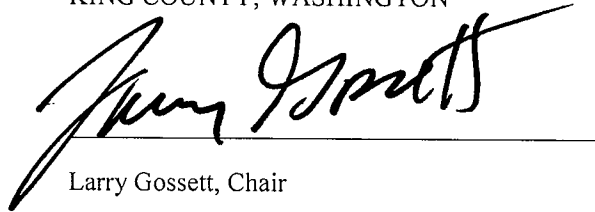
91 SECTION 3. The King County council approves the use of the evaluation criteria

92 included in Attachment A to this ordinance to be used for review of competitive
93 proposals to construct the Factoria recycling and transfer station.
94


Ordinance 17435 was introduced on 7/26/2012 and passed as amended by the Metropolitan King County Council on 10/15/2012, by the following vote:

Yes: 8 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Patterson, Ms. Lambert, Mr. Ferguson and Mr. Dunn
No: 0
Excused: 1 - Mr. McDermott

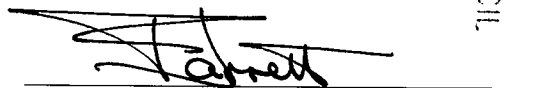
KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Larry Gossett, Chair

ATTEST:


Anne Noris, Clerk of the Council

APPROVED this 24 day of October, 2012.


Dow Constantine, County Executive

RECEIVED
2012 OCT 26 PM 4:02
CLERK
KING COUNTY COUNCIL

Attachments: A. Selection Criteria

SELECTION CRITERIA
Factoria Recycling & Transfer Station Construction Contract
April 2012

A. Specialized Experience and Technical Competence

King County will evaluate the specialized experience of the proposer's project team members.

B. Record of past performance

King County will evaluate proposer's experience and record on projects of similar scope and complexity.

C. Financial Resources

King County will evaluate the proposer's financial abilities to perform the project.

D. Current and Projected Work Load for Proposer's Key Personnel

King County will evaluate the current and projected work load of the proposer's key personnel and its major subcontractor's key personnel, to demonstrate their ability to perform work on the project in a complete and timely manner.

E. Safety Program

King County will evaluate the proposer's ability to maintain a safe working environment for the project.

F. Environmental Protection and Mitigation

King County will evaluate the proposer's environmental protection and mitigation approach for the project.

G. Staging

The proposer must demonstrate how and where it will stage materials, equipment and employee parking for the project.

H. Approach to Quality Assurance and Quality Control (QA/QC)

King County will evaluate the proposer's approach to QA/QC with respect to the construction and post construction of the project.

I. Proposer's Approach to Construction

King County will evaluate the proposer's approach to construction and how the proposed approach meets requirements as described in the Request for Proposal (RFP).

J. Project Schedule

King County will evaluate the proposer's ability to construct and complete the project in a timely manner in accordance with the requirements set forth within the RFP documents.

K. Coordination of Activities During On-going Facility Operations

King County will evaluate the proposer's approach to coordination of construction activities with on-going transfer station operations.

L. Contract Closeout and Warranty Administration

King County will evaluate the proposer's approach to performing contract closeout and warranty administration.

M. Small Contractors and Suppliers (SCS) and Outreach Plan

Achievement of the SCS commitment revolves around the development and implementation of an effective subcontracting plan and community outreach/participation plan and a proactive approach to maximizing opportunities for certified SCS firms.