

Staff Summary

Item Number 2			
Division, Department Head Name: SVP Operations Support, Stephen M. Plochochi			
			
Internal Approvals			
Order	Approval	Order	Approval
1	Materiel	6 X	Subways
2 X	Law	7	EVP
3 X	Budget	8	Acting President
4 X	DDCR		
5 X	CPM		

SUMMARY INFORMATION	
Vendor Name Judlau Contracting Inc.	Contract No. A-36622C
Description Enhanced Station Initiative–Package 3 Improvements at 72nd Street, 86th Street, Cathedral Parkway (110th Street) and 163rd Street – Amsterdam Avenue Stations, 8th Avenue Line Manhattan	
Total Amount \$105,770,233	
Contract Term (including Options, if any) 12 months	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE:

To obtain approval of the Board to award a contract for Package 3 of the Enhanced Station Initiative (“ESI”) for the design and construction of improvements at the 72nd Street, 86th Street, Cathedral Parkway (110th Street), and 163rd Street stations along the 8th Avenue Line in the borough of Manhattan to Judlau Contracting, Inc. (“Judlau”) in the amount of \$105,770,233 and a duration of 12 months.

In accordance with MTA policy regarding the use of design-build, and to enhance competition and defray proposal costs, this solicitation includes a stipend of \$100,000 to be paid to each unsuccessful proposer whose proposal met a defined standard. Accordingly, permission is also requested to pay a total stipend of \$300,000. This is the third of several construction contracts to be awarded under the ESI Program.

DISCUSSION:

The ESI Program’s focus is on improving the customer experience, the continued responsibility of providing a State of Good Repair (“SoGR”) in stations, and the development of underlying station aesthetics through design innovation. These enhancements will result in stations that are cleaner and brighter, and through the use of more intuitive way-finding and the inclusion of twenty-first century amenities such as Wi-Fi and cellular connectivity, will be easier to navigate. This program includes 31 preselected stations throughout all five boroughs. The work in Package 3 includes (1) design, (2) demolition/removals, (3) SoGR work including concrete and steel repairs, new platform edges, and waterproofing, (4) upgraded electrical and communication systems including new closed-circuit TV cameras in control areas, (5) glass barriers in the fare control areas, (6) new signage and navigation systems providing information at street level, fare control areas, and platforms (dashboards and totems), (7) enhanced street entrances, (8) new LED lighting and illuminated handrails, (9) charging stations, benches, and leaning bars, and (10) contemporary art. Additionally, in order to emphasize the schedule as a critical component of the ESI Program, Package 3 includes early completion incentives for reductions to station closure (bypasses) durations as well as liquidated damages for extended durations resulting from contractor delays.

An Authorizing Resolution requesting the use of a two-step competitive Request for Proposal (“RFP”) procurement process was approved by the Board in April 2016. A request for letters of interest and qualification packages was advertised in May 2016, resulting in the submission of seven responses on June 21, 2016. The Step-1 qualification packages were evaluated against preestablished selection criteria addressing relevant experience, general responsibility, financial resources, and safety record.

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Five teams were selected: Citnalta-Forte, Joint Venture (“CFJV”); ECCO III Enterprises, Inc. (“ECCO III”); Judlau Contracting, Inc. (“Judlau”); Picone-Schiavone ESI, Joint Venture (“Picone-Schiavone”); and Skanska USA Civil Northeast (“Skanska”). Pursuant to the Authorizing Resolution, only these pre-qualified teams are eligible to propose on all ESI RFPs in Step 2.

The Package 3 RFP was issued on May 24, 2017. Proposals were received on August 15, 2017 from CFJV – \$121,601,489; ECCO III – \$105,884,992; Judlau – \$103,970,233; and Picone-Schiavone – \$156,897,000. The internal estimate is \$91,593,156. Skanska chose not to propose on Package 3 as the firm decided to focus its full attention on Package 2 which was awarded to them on April 14, 2017.

All proposals were evaluated by a Selection Committee (“SC”) utilizing preestablished selection criteria addressing the proposer’s design and construction approach; overall project schedule; team experience; project management, safety, quality, and M/WBE plans; qualifications and coordination of subcontractors; diversity practices; and other relevant matters. After technical factors, the overall project cost was considered. Supporting the SC evaluation was a Technical Advisory Subcommittee comprised of members from the Program Facilitator/Best Practices Consultant and various NYC Transit departments.

The SC reviewed the technical proposals and subsequently reviewed the price proposals submitted by each proposer. After review and consideration of all proposals, the SC recommended that ECCO III and Judlau be invited for negotiations. Both were unanimous selections as each submitted strong technical proposals including the most competitive schedule improvements.

ECCO III’s proposal was considered the most complete and comprehensive of all four teams considering a five-month design period before the start of the first station bypass. ECCO III proposed a staggered approach with the first station bypass starting approximately five months after award and each subsequent station closing at one-month intervals. ECCO III proposed a combined reduction of 153 days for the four station bypasses but offered no reduction to the maximum contract duration of 14 months. Their Cost Proposal was within 16% of the internal estimate. The SC determined that none of the alternates proposed by ECCO III merited further consideration.

Judlau submitted a very strong technical proposal, impressing the SC most with their proposed schedule improvements. Judlau’s proposal also considered a five-month design period with its first station bypass also starting approximately five months after award. However, Judlau proposed to close the three remaining stations simultaneously, approximately 1½ months after the start of the first station bypass and reopen all four stations on the same day. Judlau proposed a combined reduction of 173 days for the four station bypasses, and were the only team to reduce the maximum contract duration proposing a reduction from 14 months to 12 months; its Cost Proposal was within 14% of the internal estimate. Judlau proposed no alternates.

CFJV and Picone-Schiavone were not selected for negotiations. CFJV’s technical proposal was determined to be the least preferred of the four proposals and its Cost Proposal was nearly 33% more than the internal estimate. Picone-Schiavone submitted a strong technical proposal but offered the least schedule improvements of the four proposals. Its Cost Proposal was more than 71% over the internal estimate.

Prior to negotiations and as a result of a recent field walk through of the Package 3 stations, it was determined that replacement of electrical equipment at the 72nd and 86th Street stations is necessary due to their existing condition. Considering the late addition of this work to the project scope, it was determined that an allowance of \$3 million would be included in the contract. Accordingly, the internal estimate was increased to \$94,597,634.

Negotiations were conducted with both firms and included discussions of schedule and overall cost including pricing assumptions. At the conclusion of negotiations, both teams were requested to submit their Best and Final Offer (“BAFO”). BAFOs were received on August 29, 2017. Judlau’s BAFO is \$105,770,233, which represents a reduction of \$1,200,000 (1.1%) from its initial proposal after adjusting for the new allowance item. Judlau also proposed additional improvements to its schedule, including reducing its combined bypass durations by an additional 17 days and earlier completion dates for three of the four stations. ECCO III’s BAFO is \$113,190,000, which represents an increase of \$4,305,008 (4%) from its initial proposal after adjusting for the new allowance item. ECCO III offered no additional improvements to its proposed schedule.

The SC reviewed the BAFOs, discussed the schedule improvements proposed by Judlau as well as the increase to ECCO III’s proposal, and revisited the technical evaluations. The SC unanimously recommended Judlau for award, determining that its proposal offered the best overall value to NYC Transit based on the selection criteria. Judlau’s BAFO of \$105,770,233 is \$11,172,599 (11.8%) greater than the revised estimate and \$7,419,767 (6.5%) less than the BAFO submitted by ECCO III. Judlau’s BAFO is considered fair and reasonable. This review also considered Judlau’s proposed savings of \$1.3 million in authority-provided services compared to ECCO III’s proposal, which offered no savings in authority-provided services. Additionally, the reduced bypass durations offered in each proposal result in avoidance of incentive payments in excess of the \$4.3 million incentive cap included in the contract.

Schedule I: Modifications to Purchase and Public Work Contracts



While there have been issues with Judlau's performance on a recent MTACC project, the ESI project is more similar to the successful and recently completed South Ferry project. Bonds, financial and insurance approval are pending. No award will be made until all such approvals are received. Additionally, Judlau has certified that it is not on the list of firms debarred from obtaining an award under the Iran Energy Sector Divestment Law.

In connection with a previous contract awarded to Judlau, Judlau was found to be responsible notwithstanding significant adverse information ("SAI") pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Interim Executive Director in consultation with the MTA Acting General Counsel in March 2017.

In connection with a previous contract, Five Star Electric Corp., a significant subcontractor to Judlau, was found to be responsible notwithstanding SAI pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chairman/CEO in consultation with the MTA General Counsel in October 2014.

M/W/DBE INFORMATION:

The MTA Department of Diversity and Civil Rights has established goals at 15% MBE and 15% WBE. Judlau proposes to meet the established goals. Judlau has achieved the M/W/DBE goals on previous MTA contracts.

CAPITAL PROGRAM REPORTING:

This contract has been reviewed for compliance with the requirements of the 1986 legislation applicable to Capital Contract Awards and the necessary inputs have been secured from the responsible functional departments.

IMPACT ON FUNDING:

This project is funded by the MTA and will be managed by NYC Transit under the MTA Capital Program. Funding is available through the 2015–2019 Station Component Program and other identified capital program savings.

ALTERNATIVES:

Perform the work using in-house personnel. Not recommended as in-house forces do not have the resources to perform the scope of this project.

RECOMMENDATION:

That the Board approve the award of a contract for Package 3 of the Enhanced Station Initiative for the Design and Construction of Improvements at the 72nd Street, 86th Street, Cathedral Parkway (110th Street), and 163rd Street stations along the 8th Avenue Line in the Borough of Manhattan to Judlau Contracting, Inc. in the amount of \$105,770,233 and a duration of 12 months.