

advantageous to the county. Finally, the legislative authority contracts with the vendor for the design, construction or operation of the “solid waste handling system”.

When Ordinance 17435 was originally transmitted to Council for consideration, a list of Evaluation Criteria, by which the vendors would be evaluated, was attached. Those criteria included considerations such as experience, past performance, financial resources, work load, safety program, environmental protection, staging, quality control, construction, schedule, coordination of activities, contract closeout, small contractors outreach, and small contractors outreach.

Not included in the list of criteria was the vendor’s price proposal—the amount that the vendor would charge for design/engineering/construction services.

Communications with the Executive indicate that this exclusion was an oversight; the price proposal is an important, though not exclusive, element of the evaluation, and should be included among the evaluation criteria. The absence of a price criterion could potentially suggest to vendors that price is not a consideration, and encourage vendors to propose a contract that fully satisfies all the listed criteria, though at an elevated cost. Any subsequent imposition of a price criterion by the County, absent its inclusion in the listed criteria, could be problematic for the process.

Factoria Project Status

The Factoria Recycling and Transfer Station project is proceeding through steps leading to the issuance of a Request for Proposals (RFP), through which interested vendors will submit formal written proposals that will respond to the engineering and construction parameters of the project. The Solid Waste Division is developing an RFP that addresses project scope, intent, and related considerations.

This project is listed as a “high risk” project, pursuant to Ordinance 16764. Because of this and in follow-up to the 2011 “Performance Audit of Solid Waste Transfer Station Capital Projects”, the County Auditor’s Capital Project Oversight Program is conducting oversight on this project. The Auditor has undertaken a series of oversight meetings with project and division managers from the Solid Waste Division, in which project schedules, risk elements, and progress are discussed. The Division has established a schedule which proposes the issuance of a Request for Proposals in early June 2013, followed by project discussions with prospective vendors to clarify and confirm project parameters, and the capacity of vendors to address project needs. Under the Division’s proposed schedule, a vendor would be selected, contract negotiated and awarded, and a “Notice To Proceed” with construction issued on May 1, 2014. That would be followed by demolition of warehouses at the site, and by a site dewatering effort.

At the last oversight meeting with the Factoria project team, the Auditor drew attention to a concern about anticipated substantial groundwater levels on a hillside that will require an earth removal cut to accommodate project construction. Those groundwater levels are expected to require a “dewatering” process that could result in water discharge at volumes of up to 7 cubic feet per second. The Division has identified this

as a project risk, and has identified an action plan to ameliorate the risk, including “award contract in late winter (2013-2014) to allow for initial soil cut to occur when the groundwater table is dropping”. This suggests that contract award would occur in, perhaps, January or February 2014; the current schedule, however, anticipates a May 1, 2014 “Notice to Proceed” with construction. This “Notice to Proceed” date raises the question of whether the dewatering activities and initial soil cut will occur during the optimal season to ameliorate risks.

Specific plans for disposing of water discharges associated with the groundwater dewatering process have not yet been confirmed. Options include receiving water in tanks and trucking it away for discharge; discharge into one of several local tributaries, or discharge into the wastewater system. The Solid Waste Division has indicated that notice has been received from the City of Bellevue that discharge into the tributaries that are closest to the project, as planned, would not be allowed during wet season months, given potential environmental impacts. The Division has indicated that it will report back to the next Factoria Project oversight meeting, scheduled for June 20, 2013, with a strategy to address this dewatering concern. Staff has learned that the Capital Projects Oversight Program of the Auditor’s Office plans to issue a project report on this topic in June; allowing for a review opportunity by the Division, and any subsequent revisions.

ANALYSIS:

The Factoria project is at an important stage; the issuance of a Request for Proposals will initiate efforts on the part of prospective vendors to prepare responsive proposals. It is anticipated that up to four vendors may respond, based on initial indications of interest. In light of the potential complexity of the project and the interest in seeing a robust market response to the RFP, the Division anticipates providing “honoraria” of \$50,000 to the responders, reflecting the fact that they will be seeking responses that will require an extensive planning and engineering effort.

The process will involve an initial response to the Request for Proposals. Following the initial response, and further communications with the Division, responders will have the opportunity to provide a “Best and Final Offer” (“BAFO”)—with each unsuccessful bidder receiving an additional honorarium of \$50,000. If each of the bidders responds to the initial RFP, and to the subsequent Best and Final Offer opportunity, the expenditure commitment at this stage could be up to \$350,000.

As described above, the Council will eventually have specific role in approval of vendor selection for this project. State law provides that the legislative authority is the project contract entity. RCW 36.58.090 requires that the legislative authority must make written findings that it is in the public interest to enter into the contract, that the contract is financially sound, and that this contracting method is advantageous for the county. Given this heightened role for the Council in this procurement effort, it is prudent to be fully informed regarding implications of moving forward with major project stages.

Staff has developed options for Committee review in light of the considerations discussed above.

1. Approve the Executive’s request for revision to the list of Evaluation Criteria to include a “price proposal” element

Benefits:

- A. Allows the project to move ahead with the Request for Proposals, avoids any delay that may further impact project timing
- B. Clarifies that “price” will be appropriately considered as an evaluation criterion.

Concerns:

- A. Does not address emerging questions regarding the management of weather-related project factors, such as the timing of the “dewatering” effort.
- B. In light of Council’s eventual role in approving the contract with the selected vendor, with an Auditor’s report pending, this approval will move the project forward towards crossing an important threshold, with implications for significant expenditure commitments.

2. Delay action on the measure pending review of the anticipated Auditor’s report, and of Division input on “dewatering” issue.

Benefits:

- A. Allows greater understanding of project context prior to extending County commitments to participating vendors
- B. Allows consideration of an additional “evaluation criterion”—related to capacity of a vendor to address “dewatering” concern—if appropriate following consideration of Division response to this issue, and review of Auditor’s report.

Concerns:

- A. Not clear yet whether this is a minor matter that is easily resolvable, or a significant concern that justifies full exploration prior to proceeding.
- B. Project appears to be on a relatively tight timeline; delay driven by fuller review may complicate timeline

REASONABLENESS

The concerns and benefits of the primary options available to the committee in response to the Executive’s proposal are described above. Option 1 carries a concern that immediate approval of this measure may not appropriately account for auditor concerns regarding timing of a dewatering effort, particularly in light of the heightened Council role in this procurement effort. Option 2, results in a delay in approval of the revised evaluation criteria, and thus delays the issuance of an RFP. The policy choice before the Council should be undertaken with these considerations.

ATTACHMENTS:

- 1. Proposed Ordinance 2013-0214, with Attachments

- a. Attachment A: Selection Criteria, Factoria Recycling and Transfer Station
Construction Contract, April 11, 2013
2. Transmittal Letter
3. Fiscal Note

[Blank Page]



KING COUNTY
Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

June 3, 2013

Ordinance

Proposed No. 2013-0214.1

Sponsors McDermott

1 AN ORDINANCE revising vendor selection criteria for the
2 Factoria recycling and transfer station construction
3 contract; and amending Ordinance 17435, Section 3.

4 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

5 SECTION 1. Ordinance 17435, Section 3, is hereby amended to read as follows:

6 The King County council approves the use of the evaluation criteria included in

7 Attachment A to (~~this ordinance (Ordinance 17435))~~ this ordinance to be used for
8 review of competitive proposals to construct the Factoria recycling and transfer station.
9

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Larry Gossett, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: A. Selection Criteria - Factoria Recycling and Transfer Station Construction Contract - April 11, 2013

SELECTION CRITERIA
Factoria Recycling & Transfer Station Construction Contract
April 11, 2013

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 outreach/participation plan and a proactive approach to maximizing opportunities for certified SCS firms.

N. Price Proposal

King County will evaluate each proposer's proposed price to complete the contract work and factor this into the overall scoring as outlined in the RFP.

April 22, 2013

The Honorable Larry Gossett
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Gossett:

This letter transmits an ordinance making a technical amendment to Ordinance 17435 for the new Factoria Recycling and Transfer Station (“new station”) in Bellevue. This legislation will clarify the selection criteria for the construction contract.

Attachment A to Ordinance 17435 described criteria to be used by King County to select a construction contractor using the alternative selection process authorized in RCW 36.58.090. Due to a technical error, the final criterion, price, was omitted from the Attachment. That criterion is added to the selection criteria in Attachment A to this ordinance, ensuring that the County may select the general contractor who provides the best value to County ratepayers.

As with adopted Ordinance 17435, this amendment meets King County’s Strategic Plan goal of financial stewardship through the exercise of sound financial management by managing the County’s assets and capital investments in a way that maximizes their productivity and value. Construction of the new station will assist in meeting goals to deliver services responsive to community needs, protect public health, and safeguard King County’s natural resources and environment.

Equity and social justice ideals are advanced through the fair distribution of transfer facilities, services and resources. This helps ensure that all County residents have access to services that create safer and healthier communities.

The new station also supports the objectives and strategies of the Strategic Climate Action Plan through a focus on environmental sustainability, including the expansion of recycling services and utilizing green building practices.

The Honorable Larry Gossett
April 22, 2013
Page 2

Stakeholders, including the City of Bellevue, project neighbors, commercial haulers, and solid waste division staff have been involved in the planning and design stages of this project through periodic meetings, open houses and other community outreach efforts.

As required by adopted Ordinance 17435, a report on the Executive's recommendation of the most qualified vendor or vendors will be transmitted to the Council within 45 days of completion of the vendor evaluation process. In accordance with RCW 36.58.090, an ordinance authorizing the Executive to enter into the contract with the proposed vendor will be transmitted to the Council.

Thank you for your consideration of this ordinance.

If you have any questions, please feel free to contact Kevin Kiernan, Assistant Division Director of the Solid Waste Division of the Department of Natural Resources and Parks, at 206-263-3583.

Sincerely,

Dow Constantine
King County Executive

Enclosures

cc: King County Councilmembers
 ATTN: Michael Woywod, Chief of Staff
 Anne Noris, Clerk of the Council
Carrie S. Cihak, Chief Advisor, Policy and Strategic Initiatives, King County
 Executive Office
Dwight Dively, Director, Office of Performance, Strategy and Budget
Christie True, Director, Department of Natural Resources and Parks (DNRP)
Pat D. McLaughlin, Division Director, Solid Waste Division (SWD), DNRP
Kevin Kiernan, Assistant Division Director, SWD, DNRP

FISCAL NOTE

Ordinance/Motion No. 2013-XXXX
 Title: Factoria Recycling and Transfer Station Selection Criteria
 Affected Agency and/or Agencies: Solid Waste Division, Department of Natural Resources and Parks
 Note Prepared By: Lisa Youngren, Solid Waste Division, Business and Finance Officer
 Note Reviewed By: Ann Berrysmith, Solid Waste Division, Finance and Administration Manager

Impact of the above legislation on the fiscal affairs of King County is estimated to be:

Revenue:

Fund/Agency	Fund Code	Revenue Source	2013	2014	2015	2016
TOTAL			0	0	0	0

Expenditures:

Fund/Agency	Fund Code	Department Code	2013	2014	2015	2016
TOTAL			0	0	0	0

Expenditures by Category

	2013	2014	2015	2016
Salaries & Benefits				
Supplies and Services				
Capital Outlay				
Other				
TOTAL	0	0	0	0

Assumptions: This ordinance amends previously approved vendor selection criteria for construction of the Factoria Recycling and Transfer Station. There is no fiscal impact.