

February 26, 2020

Adam Jones, Executive Director
Keith Overstreet, 2019-2020 Chairman of the Board
ACEC of South Carolina
Post Office Box 11937
Columbia, South Carolina 29211

RE: SCDOT Proposed Two-Tier Selection Process

Dear Mr. Jones and Mr. Overstreet,

The South Carolina Department of Transportation (SCDOT) values our partnership with ACEC to discuss practices, policies, and procedures that are in the best interest of engineering firms, the public, and SCDOT. Rebuilding South Carolina's infrastructure cannot be done without our partners in the private sector.

SCDOT takes seriously its responsibilities in regards to the procuring of professional services. We work constantly to assure compliance with applicable federal and state laws, federal regulations, and SCDOT policies and procedures. We consider it a high priority to protect the taxpayers of South Carolina by complying with relevant law, ensuring competition, and promoting objective evaluation of proposals. To that end, it is necessary for the Secretary of Transportation to adjust our procurement practices to meet these objectives.

SCDOT intends to implement two-tier scoring on workload as means to promote competition by removing subjectivity on the workload criterion. This will provide an objective basis for scoring proposals, thereby promoting effective competition. Workload scoring like that proposed by SCDOT is implemented in numerous other states as means to promote objective competition.

From the time when we began our discussions, we have received a number of questions and comments regarding Two-Tier Selection. Our responses are enclosed. All questions received have been taken into consideration and serious deliberation regarding each was accomplished with SCDOT and FHWA leadership. Many required running additional tests and scenarios. After careful consideration, SCDOT used the feedback to make changes to proposed methodology to the scoring criteria and workload value scoring.

This includes:

- Reducing the workload criterion on the highest risk projects from 10% to 5%.
- Adjusting the scale from 0-10 to 1-10 on the workload availability.



SCDOT appreciates the open dialogue with ACEC on this proposed change to scoring and because of that feedback, SCDOT is moving forward with a revised two-tier selection process using active workload as a criterion beginning March 2, 2020.

Sincerely,



J. Darrin Player
Chief Procurement Officer

Enclosure



ACEC Questions regarding Workload Capacity

1. Please consider staff numbers residing within SC or assigned to Transportation projects in SC as part of the workload capacity calculation. Without consideration of staffing numbers, it is impossible to calculate the firm's true capacity. As shown, the calculation only takes SCDOT contract financial awards into account.

23 CFR 172 does not allow in-state or local preference to be used as a factor in evaluation. Staff capacity is not what we are evaluating. Organizational capacity is evaluated in the technical criteria. The workload capacity being considered here is the volume of work with SCDOT.

2. If SCDOT doesn't add amount of staff in SC offices to the workload calculation it's not a capacity calculation. The current calculation is only fee based which doesn't correlate to capacity to do work. Why should firms with higher capacity be penalized to take only high risk projects?

In-state or local preference cannot be used as an evaluation factor. Capacity is defined as volume of work with SCDOT, not the staffing to do work. The objective is to identify a method to objectively determine workload availability, an existing evaluation criterion. Firms are not being penalized – we are trying to promote fair and open competition and have a more objective way of scoring firms availability/capacity in regards to SCDOT work.

3. Any chance the 10-25% number be reduced to 5-10% to lessen the impact to selection process?

The existing scoring already includes weights similar to the proposal. The proposed change would create an objective method for scoring rather than the current subjective method. Based on comments received and careful deliberations SCDOT has decided to revise the criteria percentages to 5% to 25%.

4. Will the risk % be defined in the RFP?

The evaluation criteria will continue to be detailed in the RFP.

5. It takes about 9 months on an average to execute a contract. The availability could change in that span of time. Will the SCDOT have a set timeline to negotiate and issue NTP?

Given each project has varying complexity and negotiation requirements, SCDOT cannot establish a set general timeline. Volume of work will be determined on proposal due date.



6. Would they consider a formula of Invoiced Amount / (Executed + Negotiated) to generate a percentage? That would normalize the values such that it would provide a better indication of capacity without automatically penalizing larger/more established firms.

This method has been reviewed and SCDOT's current proposal provides a method to accomplish the goal of creating an objective method for scoring workload capacity.

7. Do quarterly consultant evaluations enter into a quality score to calculate value of work?

Evaluations are considered in a different scoring criteria, but do impact final review and scoring of the proposal.

8. Has removing the sub work from the executed contract amount been considered?

Yes, SCDOT ran tests on both including and excluding subcontractors. The difference is not material and will not significantly change the scoring for the top firms. We also considered adding each firm's work as a subcontractor back to their own prime numbers. SCDOT does not have usable data at this time to perform this analysis.

9. The workload value of \$10M = 0 score is too low.

SCDOT looked at all contracts and all consultant values in multiple different ways to determine the workload values to define the breakdown of the scoring. SCDOT is revising the proposal to a 1 score for firms with more than \$10 million of work.



Debriefing with MSBA Staff (Greg Davis, Anthony Cromartie, Gary Linn and James Cooper)

Presented the Two-Tier recommendations and answered questions on 12/6/2019. Received all positive comments from staff.

Presentation to DBE community at Roundtable

Presented to PS DBEs present at roundtable in held in the SCDOT Auditorium on 12/9/19. Feedback was requested and numerous questions were fielded but most did not relate to the selection process, mostly about getting paid. The following are the questions asked regarding two-tier:

- How does this help DBEs get work?

The addition of objective rather than subjective evaluation of workload capacity should reduce the potential for bias or preference in selecting firms.

- Why are you using goals in PS contracts vs. using a scoring criteria

SCDOT cannot score using DBE goals.

