

The Michigan Department of Transportation (MDOT) is seeking professional services for the project contained in the attached scope of services.

If your firm is interested in providing services, please indicate your interest by submitting a Proposal, Proposal/Bid Sheet or Bid Sheet as indicated below. The documents must be submitted in accordance with the latest "Consultant/Vendor Selection Guidelines for Service Contracts" and "Guideline for Completing a Low Bid Sheet(s)", if a low bid is involved as part of the selection process. **Referenced Guidelines are available on MDOT's website under Doing Business > Vendor/Consultant Services > Vendor/Consultant Selections.**

RFP SPECIFIC INFORMATION

BUREAU OF HIGHWAYS BUREAU OF TRANSPORTATION PLANNING ** OTHER

THE SERVICE WAS POSTED ON THE ANTICIPATED QUARTERLY REQUESTS FOR PROPOSALS

NO YES DATED _____ THROUGH _____

<input type="checkbox"/> Prequalified Services – See page ___ of the attached Scope of Services for required Prequalification Classifications.	<input checked="" type="checkbox"/> Non-Prequalified Services - If selected, the vendor must make sure that current financial information, including labor rates, overhead computations, and financial statements, if overhead is not audited, is on file with MDOT's Office of Commission Audits. This information must be on file for the prime vendor and all sub vendors so that the contract will not be delayed.
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Qualifications Based Selection – Use Consultant/Vendor Selection Guidelines

For all Qualifications Based Selections, the section team will review the information submitted and will select the firm considered most qualified to perform the services based on the proposals. The selected vendor will be contacted to confirm capacity. Upon confirmation, that firm will be asked to prepare a priced proposal. Negotiations will be conducted with the firm selected.

****For RFP's that originate in Bureau of Transportation Planning only**, a priced proposal must be submitted at the same time as, but separate from, the proposal. Submit directly to the Contract Administrator/Selection Specialist, Bureau of Transportation Planning (see address list, page 2). The priced proposal must be submitted in a sealed envelope, clearly marked "**PRICE PROPOSAL.**" The vendor's name and return address **MUST** be on the front of the envelope. The priced proposal will only be opened for the highest scoring proposal. Unopened priced proposals will be returned to the unselected vendor(s). Failure to comply with this procedure may result in your priced proposal being opened erroneously by the mail room.

For a cost plus fixed fee contract, the selected vendor must have a cost accounting system to support a cost plus fixed fee contract. This type of system has a job-order cost accounting system for the recording and accumulation of costs incurred under its contracts. Each project is assigned a job number so that costs may be segregated and accumulated in the vendor's job-order accounting system.

Qualifications Review / Low Bid - Use Consultant/Vendor Selection Guidelines. See Bid Sheet Instructions for additional information.

For Qualification Review/Low Bid selections, the selection team will review the proposals submitted and post the date of the bid opening on the MDOT website. The notification will be posted at least two business days prior to the bid opening. Only bids from vendors that meet proposal requirements will be opened. The vendor with the lowest bid will be selected. The selected vendor may be contacted to confirm capacity.

Best Value - Use Consultant/Vendor Selection Guidelines. See Bid Sheet Instructions below for additional information. The bid amount is a component of the total proposal score, not the determining factor of the selection.

Low Bid (no qualifications review required - no proposal required.) See Bid Sheet Instructions below for additional instructions.

BID SHEET INSTRUCTIONS

A bid sheet(s) must be submitted in accordance with the "Guideline for Completing a Low Bid Sheet(s)" (available on MDOT's website). The Bid Sheet(s) is located at the end of the Scope of Services. Submit bid sheet(s) separate from the proposal, to the address indicated below. The bid sheet(s) must be submitted in a sealed manila envelope, clearly marked "**SEALED BID.**" The vendor's name and return address **MUST** be on the front of the envelope. Failure to comply with this procedure may result in your bid being opened erroneously by the mail room and the bid being rejected from consideration.

PROPOSAL SUBMITTAL INFORMATION

REQUIRED NUMBER OF COPIES FOR PROJECT MANAGER 6	PROPOSAL/BID DUE DATE 3/20/09	TIME DUE 3:00 p.m.
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PROPOSAL AND BID SHEET MAILING ADDRESSES

Mail the multiple proposal bundle to the MDOT Project Manager or Other indicated below.

MDOT Project Manager

MDOT Other

Kelly Villarreal
Michigan Department of Transportation
P.O. Box 30050
Lansing, Michigan 48909

Mail one additional stapled copy of the proposal to the Lansing Office indicated below.

Lansing Regular Mail**OR****Lansing Overnight Mail**

Secretary, Contract Services Div - B470
Michigan Department of Transportation
PO Box 30050
Lansing, MI 48909

Secretary, Contract Services Div - B470
Michigan Department of Transportation
425 W. Ottawa
Lansing, MI 48933

Contract Administrator/Selection Specialist
Bureau of Transportation Planning B470
Michigan Department of Transportation
PO Box 30050
Lansing, MI 48909

Contract Administrator/Selection Specialist
Bureau of Transportation Planning B470
Michigan Department of Transportation
425 W. Ottawa
Lansing, MI 48933

GENERAL INFORMATION

Any questions relative to the scope of services must be submitted by e-mail to the MDOT Project Manager. Questions must be received by the Project Manager at least four (4) working days prior to the due date and time specified above. All questions and answers will be placed on the MDOT website as soon as possible after receipt of the questions, and at least three (3) days prior to the RFP due date deadline. The names of vendors submitting questions will not be disclosed.

MDOT is an equal opportunity employer and MDOT DBE firms are encouraged to apply. The participating DBE firm, as currently certified by MDOT's Office of Equal Opportunity, shall be listed in the Proposal

MDOT FORMS REQUIRED AS PART OF PROPOSAL SUBMISSION

- 5100D** – Request for Proposal Cover Sheet
- 5100G** – Certification of Availability of Key Personnel
- 5100I** – Conflict of Interest Statement

(These forms are not included in the proposal maximum page count.)

MICHIGAN DEPARTMENT OF TRANSPORTATION

**SCOPE OF SERVICE
FOR
SPECIALTY SERVICES**

Study of Most Effective Practices for Determining Construction
Contractors' Eligibility to Bid on Construction Projects

CONTROL SECTION(S): N/A

JOB NUMBER(S): N/A

DESCRIPTION OF WORK:

The Michigan Department of Transportation (MDOT) is issuing this Request for Proposal (RFP) to obtain proposals from qualified consultants/researchers (Consultant) to perform a study and provide a detailed report of methodologies used, processes followed, and subsequent recommendations regarding best practices used in determining the adequacy of contractors to bid on and perform specific types of construction work for MDOT. The study will assist in determining the most efficient and effective way to ensure that only capable contractors with the financial capability, experience, and expertise are permitted to bid on and perform work on MDOT low bid construction projects.

The study will be completed by the consultant consistent with the scope of work included in this document.

There should not be an assumption that a prequalification process in some form is needed to qualify contractors. It is the intent of this study that all methods used by government agencies, businesses, and industries should be considered when formulating recommendations. In addition, the current process utilized by MDOT to qualify contractors is not to be the central focus of this study--although it needs to be thoroughly understood, it should only be one of many processes reviewed.

ANTICIPATED START DATE: **May 20, 2009**

ANTICIPATED COMPLETION DATE: **November 20, 2009**

ESTIMATED TIMELINE/MILESTONES:

Key Milestone:	Date:
RFP Advertisement /Issuance Date:	February 12, 2009
RFP Questions Due to MDOT:	March 12, 2009
Responses to RFP Questions Posted by MDOT:	March 16, 2009
RFP Due Date:	March 20, 2009
Contract Awarded:	May 20, 2009
Milestone/Deliverable 1, Work Plan with Milestone Dates/Questionnaire	June 20, 2009
Milestone/Deliverable 2, First Draft, Findings and Recommendations	September 20, 2009
Milestone/Deliverable 3, Final Draft, Findings and Recommendations	November 20, 2009

Note: We reserve the right to require oral presentations. Oral presentations are not factored into the current timeline.

PRIMARY PREQUALIFICATION CLASSIFICATION(S):

N/A

SECONDARY PREQUALIFICATION CLASSIFICATION(S):

N/A

DBE REQUIREMENT: N/A

MDOT PROJECT MANAGER:

Wayne E. Roe, Jr., Administrator
Contract Services Division
Michigan Department of Transportation
P.O. Box 30050
Lansing, MI 48909
Email: roew@michigan.gov
Fax: (517) 373-3707

The Project Manager will be the primary individual providing direction to the Consultant and shall be made aware of all communications regarding this project. Any change in personnel must be provided by the Consultant and shall be subject to the review and approval of the Project Manager. The Consultant shall notify the Project Manager, in writing, of any personnel changes from those specified in the Consultant's approved proposal.

Any questions arising from this Request for Proposal must be forwarded, **in writing**, to the project manager. In order for questions to be answered in a timely manner, all questions must be received no later than 5:00 p.m., **March 12, 2009**.

MDOT's response to questions submitted timely will be posted on the MDOT website [under the Request for Proposal listing](#). It is the responsibility of all to monitor this site for any changing information prior to submitting their proposal.

GENERAL INFORMATION

Background

In accordance with MDOT's Bureau of Finance and Administration Classification and Rating of Bidders (Administrative Rules), MDOT annually evaluates contractors to determine their eligibility to bid on department construction projects. There are four major factors used in arriving at a contractor's prequalification rating: financial resources; experience; availability of necessary equipment; and past performance. Based on information received from the construction contractor, MDOT determines both a contractor's overall financial rating, defined as the overall dollar amount for which a bidder is eligible to bid and represents the maximum amount of work in which the bidder may be engaged for any entity, as well as a contractor's numerical rating, defined as the maximum dollar amount for a specific work classification for

which a bidder may submit a bid. MDOT currently has 53 specific work classifications in which a contractor may become eligible to bid.

Once eligibility to bid has been established, a process is in place to determine a contractor's bidding eligibility for specific MDOT projects. Contractors select, from projects advertised on MDOT's website for each monthly bid letting, those projects on which they would like to bid. A request to bid is submitted and MDOT staff determines bidding eligibility by subtracting the contractor's work on hand dollar amount from the contractor's overall financial rating to arrive at their net financial rating. Contractors are eligible to bid on a project if they are prequalified in the project work classifications and have a net financial rating equal to or greater than the rating required for the project.

In an effort to improve its internal policies and procedures, MDOT is requesting a Consultant to perform a documented analysis of alternative contractor qualification methods available to determine the most efficient and cost effective way to ensure that a contractor is qualified to perform construction work on MDOT projects.

MEETINGS

The Consultant shall arrange and conduct conferences and meetings requested by the Project Manager. The Consultant shall record and submit type-written minutes for all project related meetings to the Project Manager within two weeks of the meeting. The Consultant shall also distribute the minutes to all meeting attendees and any other individuals identified by the Project Manager.

REPORTS

The Consultant must submit written monthly summaries or progress reports that outline: work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the Project Manager; and any significant deviation from the previously agreed upon work plans. All areas requiring a decision that pertain to this contract must be reviewed in detail with the Project Manager prior to any final decision. Each monthly progress report will contain the following:

- 1) Project schedule status: Identify if the project is on schedule or if there is any deviation from the previously agreed upon schedule. If the project has deviated from the previously agreed upon schedule, identify the reason for deviation and areas affected by the deviation. Identify in detail the steps that will be taken to resolve the deviation. Also specify any schedule adjustments that have resulted from the deviation.
- 2) Activities of the past month: Summarize the actions taken and progress made on the project during the past month.
- 3) Activities of the following month: Summarize the actions planned for the following month in order to meet the project delivery and performance schedule requirements.

- 4) Issues: Identify problems, difficulties, either anticipated or encountered, and suggested solutions.
- 5) Resolution of prior issues: Identify resolutions to issues identified in previous progress reports.

CONSULTANT RESPONSIBILITIES:

The Consultant shall perform the following tasks and provide the following deliverables, including, but not limited to:

- Become familiar with the current prequalification process used by MDOT, including but not limited to, review and understanding of the Administrative Rules.
- Become familiar with the Bid Letting and Construction Contract Award processes currently used by MDOT, specifically the effects and dependencies the prequalification process has on these processes.
- Become familiar with MDOT's construction contract insurance and bonding requirements.
- Conduct a literature review and develop an annotated bibliography.
- Develop a detailed project plan and timeline for approval by the MDOT Project Manager, including how deliverables will be presented, including supporting documentation [versus opinion].
- Develop questionnaires, for approval by the MDOT Project Manager, to identify current contractor qualification practices and policies including, but not limited to:
 - All 49 other state departments of transportation
 - Michigan Department of Management and Budget
 - U.S. DOT
 - A statistically selected sample of construction contractors and design consultants that are eligible to bid on MDOT construction projects (whether they receive work or not).
 - A statistically selected sample of State of Michigan Universities
 - A statistically selected sample of private industry with construction contracts greater than \$500 million annually
 - A statistically selected sample of other transportation agencies such as toll authorities, transit agencies, etc.
 - A statistically selected sample of major airport authorities
 - A statistically selected sample of bonding companies providing bonds for MDOT contractors, to determine their criteria for decisions regarding construction companies obtaining bonding and insurances on construction projects.
 - AASHTO, NCHRP, TRB, and other groups conducting research in related areas, excluding a review of the NCHRP Synthesis 39-04: Performance Based Construction Contractor Prequalification.
 - A statistically selected sample of cities and counties both inside and outside the State of Michigan
- Identify and provide documentation supporting the methodology used to determine the statistically selected sample of construction contractors, State of Michigan Universities,

private industry, bonding companies, transportation agencies, airports, cities, and counties.

- The study shall identify the amount of resources, in both time and money, required by entities interviewed to determine contractors' eligibility to bid on construction projects.
- The study should identify if any part of the responses will be weighed or determined to have more relative importance than any other part.
- Perform interviews of organizations randomly selected from those identified above [phone/in person/e-mail] and provide detailed documented responses.
- Define the data analysis tools to be used in the study.
- Analyze the information received to identify best overall practices, which can be a combination of parts from various processes reviewed during the study. Consideration should be made for a qualification process that relies primarily on bonding companies to decide which contractors can bid on projects.
- Define good performance by construction contractors and how the questionnaire will consider the relevance of good performance.
- Prepare an analysis and recommendations documenting the in-depth review of the various methods used to qualify contractors; an analysis of the advantages and disadvantages of each method and a summary/conclusion based on the analyses performed regarding the department's current prequalification process and/or the potential to change to an alternative method. Any recommendations should be both cost effective and efficient and validated through case studies.

PROPOSAL FORMAT AND CONTENTS

For purposes of proposal evaluation, each proposal must be submitted in two (2) parts and will be in accordance with MDOT's Consultant/Vendor Selection Guidelines which can be found on the MDOT web page under [Vendor/Consultant Services](#).

Part I – Technical and Management Submittal

Part II – Compensation

PART I – TECHNICAL AND MANAGEMENT SUBMITTAL

Background of the Organization

Please provide an introduction to your organization, briefly summarizing its history and experience with research projects and specific experience in transportation.

Understanding of Services

Describe your understanding of the services you intend to propose. This information is to be based on the scope of services. Include any work item that you believe should be added to the scope of services, or any work item that is in the current scope of services which you believe should be altered. Describe the benefit of the services.

Please provide your organization's local availability and degree of accessibility to Lansing, Michigan. If your firm is not located in Michigan, please explain how the requisite accessibility will be provided.

Team Qualifications, Experience and Performance

Demonstrate the availability of staff and their ability to provide the full range of knowledge and experience needed to perform the work associated with this RFP. Complete and sign Form 5100G attesting to the fact that the key personnel being proposed are available and have sufficient time available to provide the service as outlined in this RFP.

Identify the members of the organization who will be assigned to this project on a priority basis. Provide resumes for each of the key staff of the prime and any subconsultants. In addition to general resume information, the following information should be provided for service experience that is similar to the service being solicited:

- a. General description of the service
- b. Role of the person in the service
- c. Service budget
- d. Year service was completed
- e. Name of client (agency or company)
- f. Role of the Consultant in the service
- g. Name and phone number of person to contact for client
- h. Please note, MDOT considers the naming of personnel as a commitment by the firm to assign these particular individuals to this project unless other personnel are requested by MDOT. If personnel changes occur within the selected firm, MDOT reserves the right to approve new personnel.

Provide a summary of projects of this type or of a similar type your organization has performed since the year 2000. Provide the name of the organization for which the work was provided as well as the project budget.

PART II – COMPENSATION

Note: Required compensation information must be presented in a separate document. This will ensure that pricing of all proposals will be evaluated separately from the technical review for understanding of the assignment and experience of staff.

Complete the attached bid sheet and present in a separate document.

CONSULTANT PAYMENT - Milestone:

Compensation for this project shall be on a **milestone** basis. Compensation shall be divided into payments for the completion of a portion of the services (deliverables).

Milestone/Deliverable 1	25%
Milestone/Deliverable 2	50%
Milestone/Deliverable 3	25%
Total Service	100%

The MDOT Project Manager may authorize payment if a milestone is delayed due to circumstances beyond the Consultant's control.

All billings for services must be directed to the Department and follow the current guidelines. The latest copy of the "Professional Engineering Service Reimbursement Guidelines for Bureau of Highways" is available on MDOT's website. This document contains instructions and forms that must be followed and used for billing. Payment may be delayed or decreased if the instructions are not followed. Please note: Labor supporting documentation must be submitted with your billing for all labor performed on a milestone basis project.

Payment to the Consultant for services rendered shall not exceed the maximum amount unless an increase is approved in accordance with the contract with the Consultant. Typically, billings must be submitted within 60 days after the completion of services for the current billing. The final billing must be received within 60 days of the completion of services. Refer to your contract for your specific contract terms.

SELECTION PROCESS

A selection team will select the Consultant from among the qualified candidates. The contract will be awarded to the Consultant whose proposal demonstrates the best value to MDOT, based on the technical and cost criteria listed below. Award shall be made to the Consultant whose proposal receives the highest total score after considering all technical and pricing evaluation factors.

SCORING CRITERIA FOR EVALUATION OF PROPOSALS

Scoring and evaluation will be performed in accordance with MDOT's Consultant Vendor Selection Guidelines, which can be found on the MDOT web page under [Vendor/Consultant Services](#). The guidelines are summarized below. Refer to the actual guidelines for a complete description of each criteria.

1. Understanding of Project Need and Description of Services (40 Points)

Describe your understanding of the project needs. Describe the services you intend to provide to meet those needs. This information is to be based on the scope of services.

2. Qualifications of Team (30 Points)

The scoring for the qualifications of the team will be one score based on the structure of the team, their qualifications and experience, and demonstrated staffing capacity of the firm to meet our needs.

Structure of the Project Team

Describe the structure of the project team. Include the roles of all key personnel. Describe the use of any subconsultants including the service to be provided, role, and percent of role the subconsultant is expected to provide.

Experience of the Project Team

Describe the quality, extent and relevance of experience of individuals assigned to the Project Team. List the Team's direct participation in other related projects.

Provide résumés for each key staff. The format is shown in Form 1242 of the Consultant/Vendor Selection Guidelines (Part 5, Section B.2), which can be found on the MDOT web page under [Vendor/Consultant Services](#). Limit each résumé to three (3) pages. Include resumes of proposed team members. (Resumés are not included in the 19 page maximum). Include a copy of your organization chart.

Availability of the Project Team

Provide statement of the availability of key staff to provide services and mitigation strategy should key staff not be available.

3. Past Performance (20 Points)

MDOT will be contacting organizations in which you have performed work of a similar nature to determine adequacy of performance.

4. Location (5 Points)

Consideration will be given for the percentage of contracted work performed in Michigan. Provide the location of where the work will be performed.

5. Price (30 Points)

The lowest bid will receive 30 points and the other bids will receive progressively lower points based on a percentage formula.

OTHER REQUIRED INFORMATION

Principal Contact. Please provide the full name, title, firm name, mailing address, telephone number, and facsimile number of the primary contact person from your organization for this request for proposal.

GENERAL ORGANIZATION INFORMATION

REQUIRED RESPONDENT INFORMATION

Please provide the following required Respondent information. Failure to respond to each requirement may disqualify the Respondent from further participation in this RFP.

Respondent Information

RESPONDENT NAME AND ADDRESS

Name, address, principle place of business, telephone number of legal entity with whom contract is to be written, and the web page address.

Name: _____
Address: _____
City, State, Zip: _____
Phone: () _____
Web Page: _____

LOCATION ADDRESS

Address: _____
City, State, Zip: _____

ORGANIZATION AND YEAR

Legal status and business structure (corporation, partnership, sole proprietorship, etc.) of the Respondent and the year entity was established.

Status: _____

RFP CONTACT

Name, title, address, email, phone and facsimile numbers for Respondent's RFP Contact.

Name: _____
Address: _____
City, State, Zip: _____
Facsimile: () _____
Phone: () _____
E-Mail: _____

BID SHEET

All entries on this page must be handwritten in ink or computer generated.

Milestone/Deliverable 1

Work Plan with Milestone Dates/Questionnaire

Milestone/Deliverable 1 Total: \$ _____

Milestone/Deliverable 2

First Draft, Findings and Recommendations

Milestone/Deliverable 2 Total: \$ _____

Milestone/Deliverable 3

Final Draft, Findings and Recommendations

Milestone/Deliverable 3 Total: \$ _____

TOTAL BID PRICE: \$ _____
(All Milestones/Deliverables of Project)

Consultant Name:	
Consultant Signature:	
Consultant Address:	
Date:	

The Michigan Department of Transportation reserves the right to reject any or all bids.