

Agenda Item Summary

1. ACTION REQUESTED/PURPOSE: Authorize a modified method to Lee County Administrative Code 4-4 for the advertising, prequalification, proposals and selection of a general contractor for the construction of the waste to energy expansion project, all as outlined below and described in Attachment A (attached hereto).

2. WHAT ACTION ACCOMPLISHES: Allows the Public Works Department and County Attorney's Office to proceed with the request for proposal (RFP) process to specific pre-qualified contractors.

3. MANAGEMENT RECOMMENDATION: Staff recommends approval of the requested action.

4. Departmental Category: 8 A 8 B		5. Meeting Date: 06-28-2005	
6. Agenda:	<input type="checkbox"/> Consent	7. Requirement/Purpose: (specify)	
	<input checked="" type="checkbox"/> Administrative	<input type="checkbox"/> Statute	
	<input type="checkbox"/> Appeals	<input type="checkbox"/> Ordinance	
	<input type="checkbox"/> Public	<input checked="" type="checkbox"/> Admin. Code	4-4
	<input type="checkbox"/> Walk-On	<input type="checkbox"/> Other	
		8. Request Initiated:	
		Commissioner _____	
		Department Public Works	
		Division Solid Waste	
		By: Lindsey J. Sampson	

9. Background: The Solid Waste division has been working closely with Covanta Energy in soliciting interest and determining qualifications of general contractors to perform the construction work for the WTE expansion project. The review and proposal process recommended is as follows:

1. Covanta and Burns and Roe (County's design engineer) solicit interest from companies with demonstrated appropriate experience and that routinely provide this type of work.
2. Interested Contractors fill out a 'prequalification questionnaire'.
3. Companies with appropriate experience and financial and technical qualifications demonstrated by the response to the Pre-Qualification Questionare are invited for a detailed interview. Interview is structured to receive additional information from the companies, allow the companies to ask questions regarding the project, allow the County and Covanta to determine if the companies have complete understanding of the project's construction risks and requirements, and for the companies to indicate that they are seriously planning to propose for the project.
4. The County, Burns and Roe and Covanta will send "Requests for Proposals" to pre-qualified contractors that meet all requirements and have indicated their specific intent to submit a proposal for the project.
5. The County and Covanta will notify all interested contractors of the County's pre-qualified contractors to be provided a 'Request for Proposal'.
6. The County, through Burns & Roe, will receive proposals with the intent to award a contract to the lowest overall proposer meeting all contract requirements, which in the County's opinion meets the County's interests for the Project.

No funds required at this time.

10. Review for Scheduling:

Department Director	Purchasing or Contracts	Human Resources	Other	County Attorney	Budget Services				County Manager/P.W. Director
					Analyst	Risk	Grants	Mgt.	
<i>[Signature]</i>	<i>[Signature]</i>	NA			<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>

11. Commission Action:

- Approved
- Deferred
- Denied
- Other

RECEIVED BY COUNTY ADMIN:	<i>[Signature]</i>
Date:	6-14-05
Time:	10:50
COUNTY ADMIN FORWARDED TO:	<i>[Signature]</i>
Date:	<i>[Signature]</i>

Rec. by CoActy	<i>[Signature]</i>
Date:	6/13/05
Time:	4:57
Forwarded To:	<i>[Signature]</i>

**“ATTACHMENT A”
TO BLUE SHEET NO. 20050857**

**LEE COUNTY
WTE EXPANSION PROJECT**

**PROCUREMENT METHOD FOR CONSTRUCTION SERVICES
GENERAL CONTRACTOR SCOPE OF WORK**

- **General Contractor Scope**

The General Contractor will provide services for the 3rd unit construction and integration. Included in the construction scope are site preparation, demolition required for building additions, excavation, pilings, foundations, building structures, equipment erection, electrical equipment installation, SNCR installation, electrical equipment and cable, instrumentation and cable, HVAC equipment and power/process piping.

Scope of services for the General Contractor will not include installation of the stoker, steam generator, air pollution control equipment, cooling tower structure/equipment and field fabricated tanks. Separate contracts are being entered into with other specialty contractors with proven industry expertise for supply and installation.

Mobilization of the General Contractor is scheduled for December 2005. The General Contractor's Scope of work is in the order of approx. \$25 million and will require a performance and payment bond in the amount of the contract price. Mechanical Completion of all construction activities is currently scheduled for the first quarter of 2007.

- **Advertising**

Covanta Lee, Inc., acting on behalf of Lee County, has contacted numerous qualified contractors that have expressed interest in proposing on the General Contractor Scope associated with the Lee County Facility Expansion Project. To date, fifteen (15) contractors expressed interest in participating in the evaluation process. Eight (8) of the interested contractors recently were pre-qualified to participate in a similar Covanta project and afterwards expressed written interest to be considered for proposing on the Lee County Expansion. The balance of interested contractors became aware of the project through other business sources (e.g. Burns & Roe) and inquiries. All fifteen contractors are well established and recognized in the energy and electric utility construction market. The list of contractors contacted or showing interest is attached as “Exhibit 1”.

- **Contractor Qualification Assessment**

In order to establish the financial and technical qualifications of the interested General Contractor, each contractor was requested to respond to a Pre-Qualification Questionnaire. Each of the contractors was requested to provide a wide range of company background information including, but not limited to, organizational structure, financial ratings/strength, bonding

capacity, annual revenue, ENR ranking, market focus, related energy experience, recent Florida experience and safety performance (reference attached "Exhibit 2" titled "**Pre-qualification Questionnaire**"). In addition, the County and Covanta have itemized a "List of Prospective General Contractors" summarizing each contractor's information for quick reference. All contractors, except Teton Industries and Matrix Services, provided pre-qualification information to Covanta, Burns & Roe and Lee County.

- **Invitation for Interview**

After evaluating all contractor qualification information provided, Covanta issued an "Invitation for Contractor Interview Meeting" to eleven (11) of the fifteen (15) contractors deemed to be qualified. The invitation outlined a meeting agenda and included a draft version of a typical Covanta Construction Contract for review and comment by contractor during the interview meeting. A copy of the invitation is attached as "Exhibit 3".

The purpose for conducting an interview meeting prior to the pre-proposal meeting was to further evaluate each contractor's qualifications, assess contractor's willingness to accept design quantity risk if necessary, determine willingness to comply with contractual terms and discuss limitation of liability. After discussing project details, Covanta asked each contractor to confirm a commitment to complete the proposal process if selected.

Covanta will provide its listing of most qualified contractors and recommends that the number of contractors allowed to receive a "Request for Proposal" (RFP) package be limited to four to six contractors. The reason for limiting the number of proposers is based on Covanta's past experience. Experience has shown that more qualified contractors may drop out of the competitive process if numerous or significantly less qualified contractors are allowed to participate. Due to the limited number of suggested contractors, Covanta has attempted via the interview process to identify any contractors that may drop out early in the process and avoid impacts that could occur if a contractor(s) drops out after the RFP is issued, thus further decreasing the limited number of contractors for consideration.

- **Contractors Excluded from Initial Invitation to Submit a Proposal**

During the time frame between receiving the contractor's qualification packages and issuance of invitation for interview, two contractors (SNC-Llavalin and Matrix Services) declined to proceed with the interview process due to their current business environment. Furthermore, Covanta has not confirmed an interview meeting to date with one additional contractor, Irwin Industries. Covanta has delayed scheduling a meeting with Irwin Industries due to concerns of experience and bonding. Further evaluation of Irwin Industries is pending by Covanta.

- **Response to Interview Invitation**

As mentioned above, invitations were forwarded to eleven (11) qualified contractors. Interview meetings have already been completed with six (6) contractors, including Dick Corp., CCC Universal Constructors, BE&K Inc., Lockwood Greene E&C, Casey Industrial, and Sauer, Inc. All of the above contractors have proven to be highly qualified and will be considered for participation in the proposal process.

From a legal standpoint, Sauer Inc., CCC Universal and Lockwood Greene have represented that no legal issues are pending or in progress. BE&K Inc. provided information stating that their company and/or subsidiaries, incident to their business activities, have a number of legal proceedings in various stages of development. BE&K further represents that the majority of these proceedings involve matters as to which liability, if any, of BE&K or its subsidiaries, would be adequately covered by insurance.

- **Non-Response**

Responses to the invitation were not received from Teton Industrial Group and Kvaerner Industrial Constructors. Kvaerner was recently short listed on another Covanta project, but has taken numerous commercial exceptions that have yet to be resolved. Kvaerner represented in their pre-qualification package no legal issues are pending or in progress. No legal status information was provided by Teton since the Pre-qualification Questionnaire was not returned.

Due to lack of response to the pre-qualification and/or interview invitation, no further consideration was given to these two contractors as potential proposers.

- **Notice to Decline**

Notices to “decline the pre-proposal interview process” were received from the following contractors: The Industrial Company, Whiting-Turner Contracting Company, S&B Engineers & Constructors and Fru-Con Construction Corp. Contractors advised that they were too busy to participate in the interview / RFP process, except for The Industrial Company (TIC). TIC explained that if a 90% design package was provided and quantity risk minimized, they would be interested in submitting a proposal for the project. Neither Covanta nor the County anticipates that a 90% design package will be available.

From a legal standpoint, all contractors above have experienced some type of legal action during the course of business, but represent pending or in progress legal actions are not rare for the amount of contracts executed and any outstanding claims would not adversely affect their respective company’s financial strength.

- **Notice of Pre-Qualified Contractors**

Upon approval by the Board of County Commissioners of this Contractor pre-qualification / RFP process, staff will notify all interested contractors of the County’s designated list of pre-qualified contractors.

- **To be Updated**

Additional updates will be provided as the RFP / selection process continues to evolve.

**“EXHIBIT 1”
INITIAL LIST OF POTENTIAL PROPOSALS**

- | | |
|--|---|
| <p>1 Dick Corp
PO Box 10896
Pittsburgh, Pa 152360-0896
INTERVIEW COMPLETE</p> | <p>9 CCC Universal Constructors
PO Box 200350
5797 Dietrich Road
San Antonio, TX 78220-0350
INTERVIEW COMPLETE</p> |
| <p>2 Sauer, Inc.
30 Fifty-first Street
Pittsburgh, Pa 15201

INTERVIEW COMPLETE</p> | <p>10 The Industrial Company
540 Access Road
Cumming, GA 30041
DECLINED TO PROP/QUANTITY RISK</p> |
| <p>3 Lockwood Greene E&C
6153 Park South Drive
Suite 225
Charlotte, NC 28210_3272
INTERVIEW COMPLETE</p> | <p>11 Matrix Service
10701 E. Ute Street
Tulsa, OK 74116-1518
DECLINED TO RESPOND</p> |
| <p>4 Teton Industrial Group
1690 Bluegrass Lakes Parkway
Alpharetta, GA 30004
NO RESPONSE TO INVITATION</p> | <p>12 Casey Industrial, Inc.
3060 Royal Blvd. South
Suite 235
Alpharetta, Ga. 30022
INTERVIEW COMPLETE</p> |
| <p>5 Kvaerner Industrial Constructors
5300 Recker Hwy. Whse. #3
Winter Haven, FL 33880
Submitting as AKIC
NO RESPONSE TO INVITATION</p> | <p>13 Irwin Industries
1580 W. Carson Street
Long Beach, CA 90810
www.irwindind.com
EXPERIENCE/BONDING CONCERN</p> |
| <p>6 SNC-LLAVALIN CONSTRUCTORS
15011NE 36th Street
Redmond, WA 98502
ADVISED MAY BE TOO BUSY TO PROP LEE</p> | <p>14 Whiting-Turner Contracting Company
5426 Beaumont Center Blvc
Suite 300
Tampa, FL 33634
DECLINED TO PROP/BUSY</p> |
| <p>7 BE&K, Inc.
2000 International Park Drive
Birmingham, Alabama 35201-2332
INTERVIEW COMPLETE</p> | <p>15 Fru-Con Construction Corp.
2520 Thomasville Rd Suite 300
Tallahassee, Fl.32309
DECLINED TO PROP / BUSY</p> |
| <p>8 S&B
PO Box 266245
Houston, Tx 77207-6245
DECLINED TO PROP/TOO BUSY</p> | |

"EXHIBIT 2"

Covanta Lee, Inc.
Lee County Waste to Energy Expansion Project
SUPPLIER/CONTRACTOR
PRE-QUALIFICATION QUESTIONNAIRE

Please submit the following minimum pre-qualification information for our review and consideration:

- Company's general data and any pre-printed brochures or literature considered important to describe your company's capabilities:
- Highlights of your company's Waste-to-Energy (WTE) experience:
- Primary market emphasis:
- Focus on your company's financial strength, business approach, and structure.
- Company is established as a: ___ Corporation; ___ Partnership; ___ Proprietorship; Other _____
- Is company owned or controlled by a parent company? _____; if yes, name: _____
- Revenue volume for each of the last 3 years:
- Surety and or performance bonding:
 1. capacity/limits: Aggregate \$ _____; Per Project \$ _____
 2. Ability to bond 100% of contract price? _____
 3. If a GC, do you have the ability to wrap a project beyond its contract price? _____
 4. Amount currently bonded: \$ _____
 5. Bonding companies you normally work with: _____
 6. Is a Letter of Credit available? _____; if yes, up to what % of contract price? _____%
- Standard and Poor's, Moody's and Fitch ratings (also provide a copy of current D&B report):
- ENR ranking(s):
- List recent Waste-to-Energy projects (and/or related projects) and similar plant expansions performed by your company. Include for each project:
 1. project description
 2. location
 3. contract scope
 4. time performed
 5. union or non-union
 6. contract value
 7. contract type (lump sum, T&M, Unit Price, GNTIE, etc.)

- 8. Amount bonded
- 9. client reference/contact information

- Percentage of Union _____ and Non-Union _____ power/industrial work.
- Percentage of power/industrial work performed in the State of Covanta's project: _____%; State _____.
- Minority Business concern? _____
- Legal Considerations:
 1. Has your company at any time failed to complete a contract? _____; If yes, explain.
 2. Are there any judgments, claims, or suits pending or outstanding against your company? _____; If yes, explain.
 3. Is your company now or have you ever been involved in bankruptcy or reorganization proceedings? _____; If yes, explain.
- Company's financial statements (balance sheet, income statement, and cash flow statement) for the last 2 years including through most current quarter)
- Safety statistics:

	2002	2003	2004 (to date of _____)
1. Experience Modification Rate (EMR)	_____	_____	_____
2. Number of fatalities	_____	_____	_____
3. OSHA Recordable Case Incident Rate	_____	_____	_____
4. OSHA Restricted Duty Case Incident Rate	_____	_____	_____
5. OSHA Lost Workday Case Incident Rate	_____	_____	_____
6. OSHA Lost Workdays Severity Rate	_____	_____	_____
7. Number of Hours Worked	_____	_____	_____
8. Has your company received an OSHA (or State OSHA) or MSHA citation within the last five (5) years? _____; If yes, explain.			

- Categories of work that your company self performs versus subcontracts out.

Submit the above requested information as follows:

Send to: Covanta Lee, Inc. 40 Lane Road Fairfield, NJ 07007 Attn: L. Peter Young – Project Management 973 882-7246 Office 973 244-5540 Fax pyoung@covantaenergy.com	with copy to: Burns and Roe Enterprises, Inc. 800 Kinderkamack Road Oradell, NJ 07649 Attn: Michael G. Murphy – Manager, Procurement 201 986-4371 201 986-4264 fax mmurphy@roe.com	with copy to: Covanta 350 North Faulkenburg Road Tampa, FL 33616 Attn: Jack Holmes – Construction Manager 813 671-9992 jholmes@covantaenergy.com	with copy to: Lee County Solid Waste Division 10500 Buckingham Rd Suite 200 Ft. Myers, FL 33905 Attn: Lindsey J. Sampson – Director 239 338-3302 sampsolj@leegov.com
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**“EXHIBIT 3”
INVITATION FOR INTERVIEW**

Subject: FW: Covanta Energy/Lee County Facility Expansion Project/Interview Meeting for General Contractor Qualification

To All General Contractor Candidates:

Covanta Energy and our client, Lee County, FL, have begun to conduct interviews with contractors that have expressed interest and submitted "Pre Qualification Questionnaires" for bidding the "General Contractor Scope" at the Lee County Waste-to-Energy Expansion Project. The project expansion will increase the existing facility's process capacity by approximately one-third or 636 TPD. The owner, Lee County has received its permit to build this project and has commenced with engineering and procurement to support start of construction by the end of this year.

Included in the expansion will be the addition of another steam generator (installed by others), air pollution control equipment (installed by others), turbine generator, cooling tower expansion (installed by others), pumps, process piping, tanks, electrical & control systems, associated foundations, enclosures/buildings and other ancillary equipment. The County shall furnish process equipment for the General Contractor to install.

Interviews will be conducted at the facility located at 10500 Buckingham Road, Ft. Myers, FL. Duration of interview is estimated at two hours. Our goal is to qualify 4 to 6 contractors that demonstrate required expertise, financial strength and ability to satisfy commercial requirements. Bid packages are currently scheduled to be issued to qualified contractors in July, 2005. Mobilization for the General Contractor that receives contract award is targeted before the end of 2005.

In attendance from Covanta Energy will be the Project Manager (Peter Young), Construction Manager (Jack Holmes) and Facility Manager (Jody Howard). In attendance representing the Lee County Solid Waste Division will be Lindsey Sampson.

Tentative schedule dates for the interviews are:

May 5, 2005 (morning/9AM-11AM & afternoon/2PM-4PM)
May 6, 2005 (morning/9AM-11AM & afternoon/2PM-4PM)
May 11, 2005 (afternoon only 2PM-4PM)
May 13, 2005 (morning/9AM-11AM & afternoon/2PM-4PM)
May 26, 2005 (morning/9AM-11AM & afternoon/2PM-4PM)
June 2, 2005 (morning/9AM-11AM & afternoon/2PM-4PM)

If your company has continued interest, please advise which one of the meeting dates is acceptable. Also, indicate alternative dates in case your first choice is not available.

In preparation for the interview, please include the following topics in your presentation and limit presentation time to 45 minutes:

- General presentation of qualifications
- Company organization
- Experience of personnel that may be assigned to this project
- Financial strength and ability to bond

- Specific examples of recent similar work (contact information)
- Company's experience assuming quantity growth risk for 50% design bid package that excludes major process equipment.
- Florida experience
- Safety record and practices (overview)
- Key strengths/advantages for this project
- General concurrence with the contract terms & conditions (T&C's attached hereto for review).

I look forward to receiving responses via e-mail this week.

Thank you,

Jack Holmes
Construction Manager
Covanta Energy, Inc.