



CALIFORNIA
AMERICAN WATER

PROPOSAL EVALUATION REPORT

Monterey Peninsula Water Supply Project
Request for Proposals
for the
Construction of Conveyance Facilities

December 7, 2015

I. Executive Summary

This report summarizes the evaluation of the Monterey Peninsula Water Supply Project Conveyance Facilities Request for Proposals (“RFP”) dated August 17, 2015 as amended and received by California American Water. The review of these proposals resulted with the selection of the most advantageous/preferred Proposer. Proposals were submitted in response to the RFP on November 4, 2015 by the following firms (listed alphabetically):

Garney Pacific, Inc. (“Garney”)
Granite/Rados, A Joint Venture (“Granite/Rados”)
Monterey Peninsula Engineering, a Partnership (“MPE”)
Mountain Cascade, Inc. (“MCI”)
Ranger Pipelines, Inc. (“Ranger”)
W.A. Rasic Construction Co., Inc. (“Rasic”)

While all six Proposers are qualified and submitted responsive Proposals, the Proposals submitted by Garney, MPE, and MCI were determined to be the most advantageous with respect to the bid packages identified in Table 1 below. This determination was based upon several factors as described in more detail in this report; however, the primary factors favoring the selected Proposers are significant cost effectiveness, acceptance of the terms and conditions of the draft Contract, and a strong overall technical approach to completing the work within the schedule.

TABLE 1 – Preferred Proposers

Proposer	Package No.
Garney	1,3,5
MPE	4,6,7
MCI	2

II. Evaluation Process

A Selection Committee was established by California American Water to evaluate the Proposals and select the most advantageous Proposer(s) based upon the criteria detailed in Section 5 of the RFP. The Selection Committee consists of the following California American Water employees:

- *Deana Donohue, Vice President, Engineering*
- *Jeff Dana, Vice President, Finance & Treasurer*
- *Lori Girard, Corporate Counsel*
- *Ian Crooks, Engineering Manager*
- *Chris Cook, Assistant Engineering Manager*

The Selection Committee has individually reviewed the Proposals; identified and discussed advantageous and non-advantageous elements of each Proposal; identified areas where clarification was needed; and reviewed, discussed, and evaluated the Proposals (including any clarifications provided), based upon the criteria and weighting included in the RFP. The evaluation categories are described in Attachment 1, and a breakdown of the overall weighting for each criterion and subcriterion is listed in Table 2 below.

TABLE 2 – Evaluation Criteria

CATEGORY	WEIGHTING
TECHNICAL CRITERIA	40 points
Project Delivery (including WMDVBE and Local Resources Utilization), Construction Management, and Quality Control	25
Schedule	10
Safety	5
BUSINESS AND FINANCIAL CRITERIA	60 points
Cost Effectiveness of Proposal	50
Business Terms and Conditions	8
Proposer Financial Qualifications	2

For each bid package, the Selection Committee scored each category based on the points allocated to that category as set forth in the RFP. The highest possible points were assigned to the best Proposal in each category. The remaining Proposals in each category were then scored based upon the relative value of each Proposal as compared to the best Proposal. The Selection Committee has applied this rationale to the scoring of the quantifiable evaluation categories (i.e. cost effectiveness of Proposals) as well as the other not-so-readily quantifiable evaluation categories. Applying the same scoring methodology for each evaluation category ensures that the relative value of a point in each category is the same and that each category actually receives the weighting intended.

For each bid package, the Selection Committee then ranked the total points for each category on a scale of 1 to 6 (or 5 where there were only 5 Proposals submitted), with 1 being the highest total points and 6 (or 5) being the lowest total points among all Proposers. If more than one Proposer received the same score, for example, 2 Proposers received the same highest total points for Project Delivery, each of those Proposers received a 1 and the next ranked Proposer received a 3.

III. Proposal Evaluation and Scoring

As summarized in Table 3 below, the final total scores for each Proposer for each bid package are as follows:

TABLE 3 – Final Evaluation Scores

Proposer	Bid Package No.						
	1	2	3	4	5	6	7
Garney	98	84	98	75	98	83	43
Granite/Rados	80	82	80	84	75	80	74
MPE	N/A	74	N/A	92	N/A	92	92
MCI	77	91	72	73	74	65	42
Ranger	80	80	69	66	83	82	51
Rasic	83	67	69	55	68	63	16

The rankings for each category for all bid packages are set forth in Attachment 2.

1. Technical Criteria (40 Points)

Technical Criteria counted for 40 points of the total Proposer Score. As summarized below and after careful consideration, Granite/Rados received the highest score in this category, followed by Garney.

A. Project Delivery, Construction Management, and Quality Control (25 Points)

Each Proposer and its key personnel were determined to be qualified and competent. Garney, Granite/Rados, MCI, Ranger, and Rasic all have significant experience with large scale water projects of similar contract value. MPE has significant local experience with pipeline and pump station projects.

The key personnel identified in all Proposals in general have many years' experience in their respective areas of expertise. Granite/Rados and MPE also have significant local experience, including experience on projects with California American Water. All Proposers submitted plans to meet the WMDVBE Utilization and Local Resource Utilization goals. In particular, Garney and Rasic listed local and WMDVBE companies that they have already committed to using for meeting or exceeding the Project percentage goals.

The technical section of all Proposals demonstrated a strong understanding of the Project. The highest level of detail was provided by Garney and Granite/Rados, with the other Proposers providing sufficient detail to demonstrate the capability to construct the portions of the Project for which they submitted bid packages.

B. Schedule (10 Points)

All Proposals demonstrated the Proposer's ability to meet the specified Project timelines. Each Proposer submitted Gantt charts providing sufficient detail, with the most detail provided by Garney, Granite/Rados, and Rasic.

C. Safety (5 Points)

All Proposers demonstrated a commitment to safety. Garney submitted a sound safety plan and has the best safety ratings (EMR, ORIR) of all Proposers. Granite/Rados provided the most in depth safety plan, with the Project Health and Safety Plan scope and implementation steps clearly described.

2. Business and Financial Criteria (60 Points)

The Business and Financial Criteria counted for 60 points of the Proposer's total score. As summarized below and after careful consideration, for bid packages 1, 3, and 5, Garney received the highest score. MPE received the highest score for bid packages 4, 6, and 7, and MCI received the highest score for bid package 2.

A. Cost Effectiveness of Proposal (50 Points)

Garney, MCI and MPE scored the highest in this category for having the lowest cost Proposals for the bid packages identified above. A comparison of the cost effectiveness of the Proposals is set forth in Attachment 3. It should be noted that Garney did not include electrical or instrumentation and control (“EI&C”) costs associated with bid packages 6 and 7 (terminal reservoir and pump stations), and instead indicated that it would be best to provide costs for EI&C when the design drawings and specifications are completed. Consequently, to create a fair comparison, the EI&C costs included in the other Proposals were deducted before scoring.

It should also be noted that in response to requests for clarification: (a) Garney indicated its bid package prices would remain the same regardless of whether it was awarded one or more bid packages, and of whether bid package 5 was constructed prior to other bid packages; (b) Granite/Rados indicated if it was awarded only bid package 2, its pricing for that package would be \$4,459,000.00; (c) MCI indicated if it was awarded only bid package 2, its pricing would remain the same; and (d) MPE indicated its pricing for bid packages 4, 6, and 7 would remain the same regardless of whether it was awarded one or more of those bid packages.

B. Business Terms and Conditions (8 Points)

This criterion addresses the material advantages and disadvantages of each Proposer’s markup to the draft Contract, including the extent to which the Proposer accepted the terms and conditions set forth in the draft Contract or proposed less favorable terms and conditions. It should be noted that the pricing of Proposals is based on the draft Contract as modified by the Proposer. Therefore, it is reasonable to anticipate that if California American Water were to require a Proposer to accept a material risk that it has taken exception to in its markup, the Proposer could require an increase in its pricing to accept such risk.

Garney, MPE, and Ranger took no exceptions to the draft Contract and tied for the highest score. Although both Granite/Rados and Rasic took few exceptions to the draft Contract, Rasic scored higher on this criterion. Most significantly, Granite/Rados proposed that California American Water assume an unquantified amount of additional risk by increasing spend on the Project prior to issuance of the Notice to Proceed. A material exception proposed by Rasic would limit its indemnification obligation to California American Water’s consultants and subcontractors.

MCI appeared to take several exceptions to the draft Contract. In response to a request for clarification, MCI indicated that if it was awarded only bid package 2, it would withdraw all of its exceptions to the draft Contract.

C. Proposer Financial Qualifications (2 Points)

All of the Proposers are financially capable of undertaking the portions of the Project for which they submitted bid packages. Granite/Rados scored highest in this category due to its relative size, high equity percentage, current ratio, and

working capital. Garney was a close second due to its size, profitability, and working capital.

IV. Conclusion

After careful evaluation of the Proposals based upon the evaluation criteria and weighting set forth in the RFP, the Selection Committee has determined that Garney, MPE, and MCI have submitted the most advantageous Proposals. As such, California American Water will commence negotiations with: (a) Garney for bid packages 1, 3, and 5; (b) MPE for bid packages 4, 6, and 7; and (c) MCI for bid package 2.

ATTACHMENTS

Attachment 1 – Description of Evaluation Categories

Attachment 2 – General Rankings

Attachment 3 – Cost Effectiveness of Proposals

Attachment 1 – Description of Evaluation Categories

Technical Criteria Evaluation Categories:

Project Delivery, Construction Management, and Quality Control – This category was evaluated based on the following:

- Contractor/Project Team
- Project Delivery Experience and Proposed Approach
- Planned versus Actual Project Budget
- WMDVBE Utilization & Local Resources Utilization Plans
- Prevailing Wage and Other Labor Performance Requirements
- Local Project Experience
- Construction Team Experience
- Relevance of Past Projects
- Proven Ability to Deliver on Project Timeline
- QA/QC Experience & Proposed Approach
- Commissioning Experience & Performance Requirements
- Regulatory Compliance / Permitting Experience and Proposed Approach

This category was evaluated based on evidence that the firm has completed (or demonstrated that the firm has the capability to complete) projects of similar size, scope and complexity to the proposed project. This category also includes the organizational chart, demonstrating the proposed participants in the Proposer's team. The organizational chart was reviewed for its clarity in identifying the key teams and key personnel, and in describing the roles and relationships between the team members during construction and commissioning. This category reviews the portfolios of past project profiles for that show the Proposer's experience with similar projects in scope, budget, and schedule. In addition, this category included WMDVBE & Local Resources Utilization Plans, prevailing water and other labor performance requirements, and local firm hire experience.

Schedule – This category was evaluated based on the following:

- Proposed Schedule Meets Requirements
- Level of Analysis for Schedules
- Procurement and Supply Chain Plan
- Testing and Commissioning Plan

This category was evaluated based on review of the firms due diligence and preparation of their proposed project schedule and detailed understanding and ability to execute this project on schedule. Included as part of the schedule evaluation was review of plans for key phases of the project such as procurement & supply chain and testing & commissioning.

Safety Record – This category was evaluated based on the following:

- Safety Rating and History

This category includes the Proposer's past safety record, recognition and demonstration of the Proposer's safety program, identification of key personnel who will be assigned to this project and who will contribute a significant effort in ensuring the safety of the workers and job site(s).

Business and Financial Criteria Evaluation Categories:

Cost Effectiveness – This category evaluates the proposal costs for each of the project bid schedules.

Business Terms and Conditions – This category evaluates the extent to which the Proposer accepts the terms and conditions set forth in the draft Contract included with this RFP or otherwise proposes terms and conditions that are more favorable to California American Water than the terms and conditions set forth in the draft Contract.

Proposer Financial Qualifications - This category includes the evaluation of the Proposer's submitted financial information that establishes that the Proposer has the financial strength to perform the work under the Project. Financial items considered, but not limited to, are revenues, income, balance sheet, credit ratings, bonding capacity, and line of credit. This category includes the evaluation of the Proposer's submitted financial security information showing that Proposer has ability to obtain all required payment and performance bonding as required in the RFP.

Attachment 2 - General Rankings

BID PACKAGE #1 - FEEDWATER PIPELINE

CATEGORY	Garney	Granite & Rados	Mountain Cascade	MPE	Ranger	Rasic
TECHNICAL CRITERIA (40 pts)	2	1	5	NO BID	4	3
BUSINESS AND FINANCIAL CRITERIA (60 pts)	1	5	4		3	2
OVERALL RANKING	1	3	5		4	2

BID PACKAGE #2 - SVR & BRINE PIPELINES

CATEGORY	Garney	Granite & Rados	Mountain Cascade	MPE	Ranger	Rasic
TECHNICAL CRITERIA (40 pts)	2	1	5*	5*	4	3
BUSINESS AND FINANCIAL CRITERIA (60 pts)	4	5	1	2	3	6
OVERALL RANKING	2	3	1	5	4	6

BID PACKAGE #3 - TRANSFER PIPELINE

CATEGORY	Garney	Granite & Rados	Mountain Cascade	MPE	Ranger	Rasic
TECHNICAL CRITERIA (40 pts)	2	1	5	NO BID	4	3
BUSINESS AND FINANCIAL CRITERIA (60 pts)	1	2	3		5	4
OVERALL RANKING	1	2	3		5	4

BID PACKAGE #4 - ASR PIPELINES

CATEGORY	Garney	Granite & Rados	Mountain Cascade	MPE	Ranger	Rasic
TECHNICAL CRITERIA (40 pts)	2	1	5*	5*	4	3
BUSINESS AND FINANCIAL CRITERIA (60 pts)	4	2	3	1	5	6
OVERALL RANKING	3	2	4	1	5	6

BID PACKAGE #5 - MONTEREY PIPELINES

CATEGORY	Garney	Granite & Rados	Mountain Cascade	MPE	Ranger	Rasic
TECHNICAL CRITERIA (40 pts)	2	1	5	NO BID	4	3
BUSINESS AND FINANCIAL CRITERIA (60 pts)	1	4	3		2	5
OVERALL RANKING	1	3	4		2	5

BID PACKAGE #6 - TERMINAL RESERVOIRS

CATEGORY	Garney	Granite & Rados	Mountain Cascade	MPE	Ranger	Rasic
TECHNICAL CRITERIA (40 pts)	2	1	5*	5*	4	3
BUSINESS AND FINANCIAL CRITERIA (60 pts)	3	4	5	1	2	6
OVERALL RANKING	2	4	5	1	3	6

BID PACKAGE #7 - PUMP STATIONS

CATEGORY	Garney	Granite & Rados	Mountain Cascade	MPE	Ranger	Rasic
TECHNICAL CRITERIA (40 pts)	2	1	5*	5*	4	3
BUSINESS AND FINANCIAL CRITERIA (60 pts)	5	2	4	1	3	6
OVERALL RANKING	4	2	5	1	3	6

Conveyance Facilities

lowest price <<< indicates

Bids for 15 Month Construction Schedule

Bid Items	Garney	Granite/Rados Cost	Mountain Cascade	MPE	Ranger	Rasic
1 Feed Water Pipeline	\$ 13,478,181	16,150,446	13,668,160		14,788,380	13,504,030
2 SVR & Brine Return Pipeline	4,324,360	4,459,000	\$ 3,892,480	4,149,500	4,260,590	5,536,560
3 Transfer Pipeline	\$ 23,590,220	28,274,418	26,928,426		32,500,685	31,831,470
4 ASR Pipelines	5,345,836	5,141,003	5,154,427	\$ 4,011,780	6,224,740	7,130,700
5 Monterey Pipeline	\$ 32,864,370	43,626,143	35,458,001		33,356,405	45,928,610
6 Terminal Reservoir excl. EI&C	12,994,201	14,027,612	15,267,513	\$ 11,555,250	12,185,200	17,366,510
7 Booster Pump Stations excl. EI&C	5,873,161	3,769,862	5,256,807	\$ 2,770,425	5,021,100	7,424,735
Total 15 month	\$ 98,470,329	\$ 115,448,484	\$ 105,625,814	\$ 22,486,955	\$ 108,337,100	\$ 128,722,615

18 Month Construction Schedule

Bid Items	Garney	Granite/Rados Cost	Mountain Cascade	MPE	Ranger	Rasic
1 Feed Water Pipeline	\$ 13,478,181	\$ 16,185,446	\$ 13,674,160		\$ 14,788,380	\$ 13,504,030
2 SVR & Brine Return Pipeline	\$ 4,324,360	\$ 4,459,000	\$ 3,894,380	\$ 4,149,500	\$ 4,260,590	\$ 5,536,560
3 Transfer Pipeline	\$ 23,590,220	\$ 28,714,418	\$ 27,455,240		\$ 32,500,685	\$ 32,381,470
4 ASR Pipelines	\$ 5,345,836	\$ 5,221,603	\$ 5,165,974	\$ 4,011,780	\$ 6,224,740	\$ 7,130,700
5 Monterey Pipeline	\$ 32,864,370	\$ 44,306,143	\$ 35,838,956		\$ 33,356,405	\$ 46,313,610
6 Terminal Reservoir excl. EI&C	\$ 12,994,201	\$ 14,252,612	\$ 15,275,290	\$ 11,555,250	\$ 12,185,200	\$ 17,366,510
7 Booster Pump Stations excl. EI&C	\$ 5,873,161	\$ 3,856,862	\$ 5,255,807	\$ 2,770,425	\$ 5,021,100	\$ 7,424,735
Total 18 month (excl. TR/PS EI&C)	\$ 98,470,329	\$ 116,996,084	\$ 106,559,807	\$ 22,486,955	\$ 108,337,100	\$ 129,657,615

24 Month Construction Schedule

Bid Items	Garney	Granite/Rados Cost	Mountain Cascade	MPE	Ranger	Rasic
1 Feed Water Pipeline	\$ 13,478,181	\$ 16,320,446	\$ 13,686,160		\$ 14,788,380	\$ 13,504,030
2 SVR & Brine Return Pipeline	\$ 4,324,360	\$ 4,459,000	\$ 3,898,180	\$ 4,149,500	\$ 4,260,590	\$ 5,536,560
3 Transfer Pipeline	\$ 23,590,220	\$ 29,244,418	\$ 27,483,562		\$ 32,500,685	\$ 33,681,470
4 ASR Pipelines	\$ 5,345,836	\$ 5,251,603	\$ 5,162,294	\$ 4,011,780	\$ 6,224,740	\$ 7,130,700
5 Monterey Pipeline	\$ 32,864,370	\$ 45,126,143	\$ 35,875,927		\$ 33,356,405	\$ 47,223,610
6 Terminal Reservoir excl. EI&C	\$ 12,994,201	\$ 14,527,612	\$ 15,291,532	\$ 11,555,250	\$ 12,185,200	\$ 17,366,510
7 Booster Pump Stations excl. EI&C	\$ 5,873,161	\$ 3,964,862	\$ 6,461,807	\$ 2,770,425	\$ 5,021,100	\$ 7,424,735
Total 24 month (excl. TR/PS EI&C)	\$ 98,470,329	\$ 118,894,084	\$ 107,859,462	\$ 22,486,955	\$ 108,337,100	\$ 131,867,615