

## **BASIS FOR PRELIMINARY SELECTION OF MILESTONE CONTRACTORS, L.P.**

The Indiana Finance Authority ("IFA") has proceeded, under Indiana Code 8-15.5 (the "Act"), to seek proposals from private sector entities to design and build the I-69 Major Moves 2020 Expansion Project (the "Project") pursuant to a public private agreement ("Public Private Agreement").

On September 21, 2015, each of three proposers, E&B Paving, Inc./Primco, Inc. (joint venture), Milestone Contractors, L.P. and Rieth-Riley Construction Company, Inc. ("Proposers") submitted proposed offers ("Proposals") in response to the Request for Proposals for the I-69 Major Moves 2020 Expansion Project, issued by IFA on June 26, 2015 (as amended, the "RFP").

Each Proposal was comprised of two separate components, a Technical Proposal and a Price Proposal. The process used to evaluate the Proposals is described under the caption **Evaluation Process and Procedures** below. The scoring and criteria used to evaluate the Proposals is described under the caption **Scoring and Evaluation Criteria** below. A best value evaluation process was utilized and the preliminary selection of the Selected Offeror (defined below) was made based on the Total Proposal Score as described below.

The Public Finance Director of the State of Indiana ("Public Finance Director") appointed a designee ("Director's Designee") who determined the Total Proposal Score for each Proposal by combining the Technical Proposal Score, the Price Score and the Scope Score for each Proposal, which scores were determined as described under the caption **Scoring and Evaluation Criteria** below. The Proposal submitted by Milestone Contractors, L.P. ("Selected Offer") had the highest Total Proposal Score. The Selected Offer provides for the design and construction of Project Sections A, B, C1 (as described in the RFP) and a portion of Project Section C2 (as described in the RFP) for \$85 million as further described in the Selected Offer. The Selected Offer had the highest Technical Proposal Score, Scope Score and Total Proposal Score.

The Director's Designee advised the IFA of the terms and conditions of the Selected Offer and recommended that the IFA preliminarily select the Selected Offer submitted by the Milestone Contractors, L.P. ("Selected Offeror") as the Design-Build Contractor under the Public Private Agreement for the Project. On October 14, 2015, the IFA preliminarily selected the Selected Offeror as the Design-Build Contractor under the Public Private Agreement for the Project. Such preliminary selection of the Selected Offeror by the IFA under the Act also constitutes the selection of the Preferred Proposer under the RFP.

In accordance with the Act, IFA is conducting a public hearing for the purpose of inviting public comments on the preliminary selection by the IFA of the Selected Offeror and the terms of the Public Private Agreement on November 5 and 12, 2015. The Act requires that a written explanation of the basis upon which the IFA made such preliminary selection shall also be made available for inspection and copying by the public at the offices of the IFA at least seven days before such public hearing. This document is being provided by IFA in satisfaction of that requirement.

## Summary of Scoring and Evaluation Criteria

The Total Proposal Score was based on the sum of the Scope Score, the Technical Proposal Score and the Price Score as follows: Scope Score (60 points maximum) plus Technical Proposal Score (40 points maximum) plus the Price Score (0.3 points per full \$500,000 increments under \$85million).

### Scope Score

The Scope Score (maximum of 60 points) is comprised of the total Scope Points and was evaluated based on the scope package from each Proposer. Each Proposer was required to propose one of the following packages, which was scored as set forth in the following table:

Package	Description	Points
Scope Package 1	Project Sections A+B	0
Scope Package 2	Project Sections A+B+C1 (through Station 943+00)	35
Scope Package 3	Project Sections A+B+C1 (through Station 943+00) + an increment of Project Section C2 (through Station 133+55) identified by the Proposer, as described below	35 + 1 point for every 500 feet of Project Section C2 proposed (up to a maximum of 23 points)
Scope Package 4	Project Sections A+B+C1+C2 (through Station 133+55)	60

The required increment for any portion of Project Section C2 to be included by a Proposer in Scope Package 3 was 500 feet. Each 500 foot increment of Project Section C2 proposed by a Proposer was worth one point (with a maximum 23 points available for all of Scope Package 3).

### Technical Proposal Score

The Technical Proposal Score (maximum of 40 points) was calculated using the following formula:

$$\text{Technical Proposal Score} = \text{Technical Proposal Evaluation Committee evaluation score for Preliminary Performance Plans (maximum 100 points)} \times 0.40.$$

The Technical Proposal Evaluation Committee evaluation score for the Preliminary Performance Plans (maximum 100 points) is comprised of two parts as follows: Preliminary

Project Management Plan (maximum 25 points) and Preliminary Design-Build Plan (maximum 75 points).

### Price Score

The Price Score is based on a proposed price less \$85 million for Scope Package 4. A Proposer who proposed anything other than Scope Package 4 received zero (0) points for the Price Score.

A Proposer who proposed Scope Package 4 and offered to perform Scope Package 4 for a Proposal Price that is less than \$85 million, received 0.3 points for each \$500,000 less than \$85 million. For purposes of calculating the Price Score, Price Proposals were rounded up to the nearest \$500,000.

### Evaluation Criteria

The RFP, which is posted on the IFA website at [www.in.gov/ifa](http://www.in.gov/ifa), contains additional information, detail and subcriteria consistent with the above with respect to the evaluation criteria. Section 6.3.1 and 6.3.2 of the ITP describes the pass/fail criteria for the Technical Proposal and the Price Proposal, respectively. Section 6.4 of the ITP describes the evaluation factors and subfactors for the Technical Proposal Score. Section 6.2.3 of the ITP describes the evaluation criteria for the Price Score. Section 6.2.1 of the ITP describes the evaluation criteria for the Scope Score.

### **Evaluation Process and Procedures**

The evaluation was undertaken by several evaluation committees and subcommittees: (i) the Technical Proposal Evaluation Committee ("TPEC") and Price Proposal Evaluation Committee ("PPEC") (collectively, the "Evaluation Committees"); (ii) the Technical Proposal Evaluation Subcommittee ("TPES"), the Technical Proposal pass/fail and responsiveness subcommittee, the Price Proposal Evaluation Subcommittee ("PPES"), Price Proposal pass/fail and responsiveness subcommittee, and Administrative/Legal subcommittee (collectively the "Advisory Subcommittees"); and (iii) a number of other facilitators and observers were invited to observe aspects of the evaluation. The TPEC and PPEC, which were the only committees to officially score the Proposals, were solely comprised of personnel from IFA and the Indiana Department of Transportation ("INDOT").

Evaluation of the Technical Proposals and the Price Proposals were segregated and undertaken by totally different teams, all intended to ensure the integrity of the evaluation process. With the exception of certain controlled communications facilitated by outside counsel (and members of the Administrative/Legal subcommittee) pertaining to discrete pass/fail issues, it was not until evaluation of the Technical Proposals and the Price Proposals were complete that there was any communication about the Proposals between the two distinct sets of evaluation teams.

Upon receipt of the Technical Proposals, the Technical Proposal pass/fail and responsiveness subcommittee reviewed the Technical Proposals to determine if they were

responsive to the Technical Proposal submittal requirements set forth in the RFP and whether the Technical Proposals passed the Technical Proposal pass/fail criteria set forth in the RFP. On September 28, 2015, the Technical Proposal pass/fail and responsiveness subcommittee concluded its review of the Technical Proposals and recommended to the TPEC that (1) the Technical Proposals passed the Technical Proposal pass/fail criteria and were responsive to the RFP and (2) any omissions, errors or inconsistencies or misplacement of information were minor and immaterial in nature, were waivable and should be waived.

Upon receipt of the Price Proposals, the Price Proposal pass/fail and responsiveness subcommittee reviewed the Price Proposals to determine if they were responsive to the Price Proposal submittal requirements set forth in the RFP and whether the Price Proposals passed the Price Proposal pass/fail criteria set forth in the RFP. On October 2, 2015, the Price Proposal pass/fail and responsiveness subcommittee concluded its review of the Price Proposals and recommended to the PPEC that (1) all Price Proposals passed the Price Proposal pass/fail criteria and were responsive to the RFP and (2) any omissions, errors or inconsistencies or misplacement of information were minor and immaterial in nature, were waivable and should be waived.

On September 21, 2015, the TPES commenced its qualitative reviews of all three Technical Proposals. The Technical Proposals were reviewed individually by the TPES members until September 30, 2015. The TPES met on October 1-2, 2015, and developed findings, assessments and qualitative adjectival scoring recommendations of the Technical Proposals.

The Technical Proposals were reviewed individually by the TPEC members until October 4, 2015. On October 5, 2015, the TPEC met to (i) receive the findings, assessments and qualitative adjectival rating recommendations for the Technical Proposals from the TPES Chair, (ii) receive recommendations as to pass/fail and responsiveness regarding the Technical Proposal from the Technical Proposal pass/fail and responsiveness subcommittee, (iii) make final determinations as to whether the Technical Proposals met the pass/fail and responsiveness criteria, (iv) conduct and finalize the qualitative adjectival rating of the Technical Proposals, (v) determine the quantitative Scope Scores, and (v) conduct and finalize the Technical Proposal Scores for each Technical Proposal.

The PPES conducted its qualitative evaluation of all the Price Proposals. The Price Proposals were reviewed individually by the PPES members until October 2, 2015. The PPES met on October 2, 2015, and developed findings and scoring recommendations of the Price Proposals.

The Price Proposals were reviewed individually by the PPEC members until October 6, 2015. On October 7, 2015, the PPEC met to (i) receive the findings and calculation recommendations for the Price Proposals, (ii) receive recommendations as to pass/fail and responsiveness regarding the Price Proposals from the Price Proposal pass/fail and responsiveness subcommittee, (iii) make final determinations as to whether Price Proposal met the pass/fail and responsiveness criteria, and (iv) confirm the Price Proposal Score calculation and (v) determine each Proposal's Price Score.

After the TPEC and PPEC completed scoring of all Technical Proposals and Price Proposals, respectively, the Director's Designee determined the Total Proposal Score for each Proposal by adding the Technical Proposal Score, the Scope Score and the Price Score for each Proposal. The Proposer with the highest Total Proposal Score was identified as the Selected Offeror, which is also the Preferred Proposer under the RFP.