

MEMORANDUM

TO: Christy A. Hall, Secretary of Transportation
Justin Powell, Chief Operating Officer
Julie Barker, Interim Deputy Secretary of Engineering
Maggie Hendry, Acting Deputy Secretary of Finance
Emily O. Lawton, FHWA Division Administrator

FROM: Chris Gaskins, Director of Alternative Delivery

RE: Cancellation of Carolina Crossroads Phase 3 Procurement
Project ID Number: P039720

DATE: October 25, 2023

On September 15, 2022, SCDOT issued a Request for Qualifications (RFQ) to solicit Statement of Qualifications (SOQs) from Proposers interested in contracting to serve as the design-build Contractor for the design and construction of the Carolina Crossroads Phase 3 – I-20/26/126 System Interchanges Design-Build Project (CCR3). SCDOT short-listed two Proposers on November 30, 2022: Archer-United-Blythe Joint Venture (AUBJV) and Kiewit Infrastructure South Company. SCDOT issued a Request for Proposals (RFP) for Industry Review on November 1, 2022. SCDOT then issued the Final RFP on February 15, 2023. SCDOT issued a number of addendums to the Final RFP with the last Addendum 12 posted on September 18, 2023.

AUBJV and Kiewit submitted their Technical Proposals on October 2, 2023 pursuant to the Milestone Schedule. The next steps on the Milestone schedule are:

SCDOT Questions: Prior to Presentations: October 25, 2023
Technical Proposal Presentations: November 6-7, 2023
Submittal of Cost Proposals: December 6, 2023

CCR3 will require the relocation of a large number of utilities to accommodate the construction of improved I-20/I-26/I-126 system interchanges. The following entities own utility facilities within the CCR3 project area: City of Columbia Water System; City of West Columbia; Town of Lexington; South Carolina Water Utilities; South Carolina Department of Administration; Dominion Energy-Gas; Dominion Energy-Power; Dominion Energy-Transmission; Dixie Pipeline (EPPS, Inc.); Verizon; LUMEN; SEGRA; Spectrum; Mid-Carolina Electric Cooperative; AT&T; Crown Castle; and Comporium. The City of Columbia Water System's facilities will be the most expensive to relocate. The telecommunication companies (Lumen, SEGRA, Verizon, and AT&T) have the most facilities by linear feet with multiple conduits in need of relocation.



Historically, schedule delays and cost increases associated with utility relocation are a primary risk on major highway transportation projects. These risks are further enhanced by the possible presence of subsurface conditions that differ from those known or outlined in the contract documents. SCDOT utilized several strategies in an attempt to mitigate these potential risks on CCR3, including but not limited to, having the design-build Contractor perform the utility relocation scope of work within the design-build contract, a utility relocation allowance that allows both SCDOT and the Contractor to share in the potential schedule delays and cost increases associated with utility relocation, and a similar differing site conditions allowance.

Several utility owners have decided to self-perform the relocation of their facilities rather than have the design-build Contractor perform the utility relocation as part of the design-build contract. This independent approach to self-perform, especially by those utilities that have a significant presence within the project corridor, is a substantial risk to the project's critical path and presents unknown variables to the Contractor's schedule and cost. Another risk factor recently observed on a separate CCR phase is inaccuracies of as-built utility plans. These inaccuracies also potentially expose SCDOT to unreasonable schedule delays and cost increases on a project of this magnitude. Furthermore, the potential varying subsurface conditions, including the presence of hard rock, within project areas that require utility relocation further increases SCDOT's concern of schedule risk.

The self-performance of utility relocations coupled with the presence of critical utility infrastructure facilities in unknown and uncertain locations along with unknown presence of hard rock throughout the project area are an unacceptable risk of significant delay and uncontrollable cost escalation. These risks, if realized, would imperil the completion of the Carolina Crossroads project. Therefore, it is recommended the procurement be terminated and the evaluation of the Technical Proposals submitted by AUBJV and Kiewit be ended. It is also recommended that it is in the best of interest of the State to cancel the solicitation of this Request for Proposals.

The relevant portions of the Request for Proposals-Addendum 12 provide the following:

“Section 7.1

SCDOT reserves the right to terminate the evaluation of one or more the Proposals if it is determined to be in the best interest of the State to do so.

SCDOT reserves the right, at its sole discretion, to either cancel this solicitation or to re-advertise in another public solicitation when it is in the best interest of the State to do so.

Section 7.2


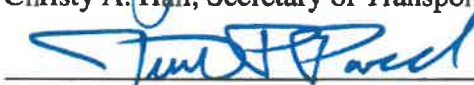

This RFP does not commit SCDOT to enter into the Contract or proceed with the solicitation. SCDOT and the State of South Carolina assume no obligations, responsibilities or liabilities, fiscal or otherwise, to reimburse all or part of the costs incurred or alleged to have been incurred by Parties considering a response to or

responding to this RFP. All such costs shall be borne solely by each responding Proposers.

In no event will SCDOT be bound by, or liable for, any obligations with respect to the Project until such time (if at all) as the Contract has been executed by SCDOT and, then only to the extent provided in the Contract.”

SCDOT is fully committed to delivering this project and intends to begin drafting revisions to the scope of work to minimize the risk of delay and cost escalation identified above. As an additional demonstration of the commitment to deliver this project, SCDOT has determined it is in the best interest of the State to pay an increased stipend amount of \$10,900,000 as allowed by the RFP.

Please indicate your approval or concurrence in cancellation of this RFP in the space provided below. If you should desire to discuss in further detail, you may contact me at (803) 737-1473

Approval:	 Christy A. Hall, Secretary of Transportation	<u>10/25/23</u> Date
	 Justin Powell, Chief Operating Officer	<u>10/25/23</u> Date
Concurrence:	 Emily O. Lawton, FHWA Division Administrator	<u>10/25/23</u> Date

CG:bcb

ec: Randy Young, P.E., Chief Engineer for Project Delivery
Andy Leaphart, P.E., Chief Engineer for Operations
Robbie Isgett, P.E., Director of Construction
John Boylston, P.E., Director of Preconstruction
Brent Dillon, P.E., Director of Traffic Engineering
Brian Klauk, P.E., Project Director
Robert Dickinson, District One Engineering Administrator
Barbara Wessinger, Chief Counsel
Nicholas Pizzuti, Procurement Officer
Tad Kitowicz, P.E., FHWA Operations Engineer Team Leader
James Martin, P.E., FHWA Major Projects Engineer

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