

April 26, 2017

Ms. Paula Tregre  
Interim Director  
Office of State Procurement  
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Paula.Tregre@la.gov

**Re: State of Louisiana, Division of Administration,  
Office of Community Development, Disaster Recovery Unit  
Restore Louisiana (ReLa) Program  
Solicitation for Offers for Restore Louisiana, Solicitation No. 107140-049  
ADDENDUM TO PROTEST IN ACCORDANCE WITH LSA R.S. 39:1671**

Dear Ms. Tregre:

Please allow this correspondence and the included Attachment to serve as an Addendum to the previously submitted protest on 20 April 2017 by AECOM Technical Services, Inc. ("AECOM") to the recent selection by the review committee established for the review of the responses to the above-referenced Solicitation for Offers for Restore Louisiana by the State of Louisiana through the Office of Community Development-Disaster Recovery Unit ("OCD-DRU").

This Addendum highlights more particularly our position that AECOM's qualifications and experience are greater than the selected firm, IEM, and, given that the technical approaches of AECOM and IEM are very similar, we would expect the overall technical approach scoring for AECOM roughly identical to that of the selected firm. Had the technical scoring been graded accordingly, AECOM would be the highest overall scoring firm, affording the State of Louisiana an approximate **\$70 million benefit** (the cost savings inherent in accepting the AECOM proposal as opposed to the IEM proposal), which equates to approximately 1,000 to 1,200 more homes being able to be included in the program.

Notwithstanding any of the above, AECOM reserves the right to withdraw this protest in its entirety at our discretion.

We look forward to hearing from you on this matter.

Kindest Regards,



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Senior Vice President, Program Director

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**ATTACHMENT**  
**AECOM Protest Addendum of Selection**  
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12. **AECOM’s staff has more relevant experience and meets more of the State’s criteria than IEM’s proposed staff** – The Restore Louisiana is primarily a large project management and a residential construction project. AECOM believes that the five most important positions for the project are: 1) Project Director, 2) Construction Services, 3) Applicant Relations, 4) Call Center, and 5) Health and Safety. The following table summarizes the staff of five key positions for the project to be successful, and additionally compares and contrasts AECOM’s staff with IEM’s staff.

<b>Position</b>	<b>IEM</b>	<b>AECOM</b>	<b>Advantage</b>
<b>Program Director</b>	<p><b>Jon Mabry</b></p> <ul style="list-style-type: none"> <li>- Claims to be only Program Director with experience “supporting 40k+ homes under CDBG” (Page 95 of pdf)</li> <li>- Our information indicates he has only delivered one CDBG program in private practice</li> <li>- Delivered one CDBG program while with State of Mississippi, one with IEM</li> </ul>	<p><b>Mike Richardson</b></p> <ul style="list-style-type: none"> <li>- Served as Program Manager/PIC for programs supporting over 55,000 homes</li> <li>- Led delivery of 6 - \$100M+ recovery programs (all with AECOM)</li> <li>- Served as Program Manager for Louisiana Shelter at Home Program</li> </ul>	<b>AECOM</b>
	<ul style="list-style-type: none"> <li>• <b>Mr. Richardson has delivered significantly more CDBG programs than Mr. Mabry</b></li> </ul>		
<b>Construction Services</b>	<p><b>Walter Aertker</b></p> <ul style="list-style-type: none"> <li>- NO stated residential disaster recovery construction experience</li> <li>- NO CDBG experience listed on resume</li> <li>- Only residential construction project experience listed is 25 years old and is from Russia</li> <li>- Noted as IEM employee but no work experience for IEM, indicating work as an “independent consultant” 2014-present</li> </ul>	<p><b>Steve Swick</b></p> <ul style="list-style-type: none"> <li>- 5 large scale residential housing recovery programs since 2008</li> <li>- Served as Program Manager for Louisiana Shelter at Home Program project manager for Sandy Recovery, New Jersey Department of Environmental Protection, overseeing 7,000+ Tier II environmental reviews</li> <li>- Project manager - NY Sandy, in support of SSBG homeowner assistance</li> <li>- TX GLO (Ike, Dolly) - Deputy Program manager – damage assessments, environmental reviews, construction management, Section 106 compliance, lead base paint</li> <li>- Mississippi Development Authority - worked on seven housing recovery programs, support for 10,000+ applicants for environmental reviews, etc.</li> </ul>	<b>AECOM</b>
	<ul style="list-style-type: none"> <li>• <b>Residential construction experience is needed for this project.</b></li> <li>• <b>Unlike IEM staff leadership, the AECOM leadership has extensive experience in residential construction.</b></li> </ul>		

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<b>Applicant Relations</b>	<b>Nick Speyrer (Emergent Methods)</b> <ul style="list-style-type: none"> <li>- NO CDBG experience</li> <li>- NO disaster recovery experience</li> </ul>	<b>Jennifer Catalano (HGI)</b> <ul style="list-style-type: none"> <li>- 11 years of CDBG experience from both HAP and Road Home</li> <li>- Managed all areas of applicant relations under HAP including call center and intake specialists, outreach teams, case management teams</li> <li>- Set up Housing Assistance Centers for Road Home</li> <li>- Managed intake and eligibility teams covering thousands of applications</li> </ul>	<b>AECOM</b>
<ul style="list-style-type: none"> <li>• <b>Applicant relations are a critical role on the project, and this project is too critical to depend upon on-the-job training.</b></li> </ul>			
<b>Call Center</b>	<b>David Baxter</b> <ul style="list-style-type: none"> <li>- IT person, supported Road Home via IT help desk</li> <li>- NO call center management, set up, operation experience</li> <li>- Only ONE CDBG-DR project</li> </ul>	<b>Sydney Brown</b> <ul style="list-style-type: none"> <li>- Managed Call Center for Louisiana Shelter at Home including staffing, reporting, training, etc.</li> <li>- Production Manager for TX GLO CDBG Program</li> <li>- Production Manager for OCD - HMGP program</li> <li>- San Marcos, TX CDBG Program - Project Manager</li> <li>- CDBG AND HMGP experience</li> </ul>	<b>AECOM</b>
<p><b>The Call Center is the start of the applicant process and is critical to the success of the program. The State needs a person in this role with experience in establishing and managing a call center to ensure rapid effective program startup.</b></p>			
<b>Health and Safety</b>	None Listed	Blaine Pitre	<b>AECOM</b>
<p><b>Health and Safety is critical to the program. AECOM knows this based on decades of being a contractor and has this listed in a prominent position on the organizational chart. IEM does not even list Health and Safety on the organizational chart. There is no significant construction job that can be performed without Health and Safety being a core value.</b></p>			

***Based on the foregoing, AECOM should have scored higher than IEM in staff experience.***

**13. IEM misled the selection panel with statements within the IEM offer.** The misleading statements of IEM adversely impacts the best value selection for the State. The misleading statements are summarized as follows:

- a. On page 5, IEM states: "IEM is a trusted large Program Management contractor for disaster management." In reality, IEM's corporate CDBG-DR experience is limited to ONE program, starting in 2014. In addition, IEM only provided two reference projects for disaster recovery work, and both are post-Sandy in New York. AECOM provided four (4) reference projects, including project experience in both CDBG-DR and FEMA funding.
- b. On page 11, IEM highlights that the team includes "the best performing Shelter at Home Builder." In reality, the overall ranking for Core Construction Services, LLC (Core) and Roy Anderson Corp (RAC) for the most recent period was fourth and fifth, respectively, out of nine vendors. These rankings included factors such completed structures, days to complete and number of Final Site Visits.
- c. On page 32, IEM again highlights the top flight ranking of Core as "recently the top performing housing contractor" in the Louisiana Shelter at Home Program – as noted above, this designation is not correct, based on the current contractor rankings for Louisiana Shelter at Home.
- d. On page 40, IEM notes that Core and RAC performed "repairs on nearly 2700 homes." However, based on reports from Louisiana Shelter at Home, these two firms completed FEWER than 2150, combined.
- e. IEM claims in a call-out box in their proposal on page 38 that identifies IEM as a State Program Manager for the \$5.4B Mississippi recovery program. However, IEM was NOT involved in the delivery of that Program.

***IEM should be disqualified for misrepresenting its qualifications to the selection panel.***

**14. IEM proposes to perform environmental reviews that will have no benefit to the State.** Separate and apart from the erroneous historical record that is outlined above, on pages 156 and 157, IEM proposed a pricing construct for "Option 2" which purports to be an "expedited option with a little more risk." In reality, initiating environmental reviews beyond priority applicants, including Phases III and VI, has the potential to saddle the State with paying for environmental reviews even if the overall program does not secure enough long-term funding to process those additional applicants. Under the IEM proposal, irrespective of the overall financial health of the program or progress of applicants, the State would end up paying IEM for ALL of the environmental services.

***IEM's proposal to perform environmental reviews for Phases III and IV is only to the benefit of IEM. Therefore, IEM should have been scored lower in Approach than AECOM.***

**15. IEM scored significantly higher than AECOM on experience – even though IEM has significantly less CDBG-DR experience than AECOM.** To our knowledge, IEM has only served as prime contractor on one CDBG project – New York State Housing Assistance Program – and has worked in one other recovery program, New York State Public Assistance (HMGP). AECOM, by contrast –

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even if just considering AECOM’s Louisiana-based staff – has managed 6 CDBG-DR programs. The table below reflects the respective proposers’ experience, per the proposals:

IEM Listed Experience		AECOM Listed Experience	
New York State Housing Assistance Program – CDBG-DR	\$1.75B New York	Louisiana Shelter at Home Program	\$150MM - Louisiana
New York State Public Assistance – HMGP	\$15 B – New York	FEMA Public Assistance Contract	\$2B - Nationwide
		Hurricane Ike CDBG-DR	\$600MM Texas
		Hurricane Katrina CDBG-DR Housing Program	\$5.4B - Mississippi

The SFO on page 24 states *“The Offeror should demonstrate successful experience in executing multiple engagements involving **rapidly starting up implementation of business or governmental activities** with annual expenditures in excess of \$100 million.”* [Emphasis added.] IEM’s only CDBG experience was a project IEM took over from an existing contractor hence, IEM was not responsible for start-up and implementation for the program from its initiation. A review of the IEM proposal shows that IEM did not state or demonstrate that IEM can manage multiple \$100 million engagements, or, multiple engagements of any particular dollar value at all.

***IEM did not demonstrate any experience with starting up a CDBG program from its initiation.***

- IEM did not follow the SFO instructions when requested to submit hourly rates.** IEM refused to provide hourly rates for the Project Director position. The SFO stated the following: 1) on page 27 section 5.5.1 : “The Offeror must provide the hourly rates for providing the services described in Scope of Services, Program Management Services, Attachment I” and 2) on page 27 section 5.5.2: “The proposed rates shall be inclusive of all fees required to provide the service, including labor and travel. Any omissions or changes to the template will result in disqualification of the Offer.”

The State placed the requirements in the SFO to require full transparency from the proposers. IEM stated that the hourly rate of the project Director is \$0.00. This is shown on pages 7 and 9 of the IEM cost proposal. The SFO required that the rates need to include all labor and travel. IEM’s rate reflects neither labor nor travel. IEM states that it will not invoice the state for the Project Director’s hours – but the rate has to be greater than \$0.00.

The SFO specifically states that any omission will result in the disqualification of the offer. Since travel alone for a Project Director is impossible to be zero, IEM did not follow the SFO directions and should be disqualified.

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In addition, the notion of not invoicing for the Project Director presumably is intended to confer that a better deal is being provided to the State. However, such is not the case, as IEM is 35% (between \$64 million and \$75 million) more expensive than AECOM.

***IEM is required to be disqualified for failing to follow the specific SFO instructions for the rates as specifically set forth in the SFO.***

17. **The listings of staff proposed to be utilized by IEM and AECOM show that the AECOM staff has more experience, and that AECOM has more depth than IEM.** The following table shows the IEM and AECOM staff listed with full resumes in the technical submittals, as well as each staff member’s length of time with each organization.

IEM Staff	Length of IEM Service	AECOM Staff	Length of AECOM Service
Jon Mabry	3 years	Michael Richardson	27 years
Leacy Aycock	4 months	Marisa Mason	4 years
		Sydney Brown	5 years
		Lael Holton	2 years
		Steve Swick	22 years
		Karyn Harrison	9 years
		Joe Chapman	19 years
<b>2 Total IEM staff listed in full resumes</b>	<b>Average: 1.6 Years with IEM</b>	<b>7 Total AECOM staff listed in full resumes</b>	<b>Average: 12.6 Years with AECOM</b>

IEM proposes only two staff with full resumes. The staff listed has been with IEM an average of 1.6 years. AECOM proposes 7 staff with full resumes, who have been with AECOM over 12½ years on average.

***The success of the program is based on strong leadership that cannot be subcontracted. AECOM proposed to perform the majority of the work with long-term AECOM leaders. AECOM should have been selected for the project.***

18. **The “Approach” of IEM and AECOM are similar, which should have resulted in similar scores for approach.** AECOM has a detailed scope of work described in 63 pages of the AECOM Technical Proposal. For its part, IEM described its scope in more than double the amount of pages – 136 pages – but IEM proposed three options, nominated by IEM as its options 1, 2 and 3. IEM options 2 and 3, however, are primarily for the benefit of IEM to perform additional environmental or intake services – as opposed to additional work being done on residential homes – although the State would compensate IEM for these additional services. IEM states on page 6-5, *“We propose selection of Option 2 throughout this offer.”*

The following table compares and contrasts the approaches of IEM and AECOM in the technical proposals:

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Applicant Phase	IEM / AECOM Approach	Differences
Startup Phase	Both IEM and AECOM have similar 1 to 2 month startup operational approaches	<b>No significant difference</b> between IEM and AECOM on startup
Outreach	Both IEM and AECOM have specified Outreach plans and methodology to initiate Outreach. IEM does not indicate continued Outreach, although AECOM does	AECOM has performed a successful Outreach with SAH and has a proven approach and methodology to perform the task
Help Desk Service	IEM specifically identifies Help Desk service. AECOM structured their proposal to address the OCD tasks specifically, but AECOM will provide similar Help Desk service with case managers specifically assigned to the applicant	IEM has a specified Help Desk to collect and identify applicant issues. AECOM will have specific case managers available to talk to applicants without a go-between
Application / Intake	IEM has a specific section that describes applicant and intake. AECOM discusses application and intake in relation to the specifics outlined in the RFP	There is no special methodology included in the IEM proposal for this. OCD states specifically how they want this performed. <b>No real difference</b> between IEM and AECOM.
First Contact	Both IEM and AECOM have case managers that take the applicant through all of the required documents such as proof of ownership and the options available for the applicant	<b>No difference</b> between IEM and AECOM on first contact
Inspection	IEM calls for a one knock one/one doc approach. This is the same approach proposed by AECOM. The inspectors scope the project and gather the necessary environmental data. All proposers are required to use Xactimate and the all use the Xactware suite of programs	<b>No difference</b> between IEM and AECOM on Inspection
Construction	Both IEM and AECOM propose monitoring the construction. IEM does not propose any innovative advances in construction but AECOM proposed innovation initiatives including contractor training/certification and closeout/final inspection processes to reduce program cost and risks	AECOM proposed construction innovations. <b>No difference</b> in construction monitoring or customer engagement.
Close Out	Both IEM and AECOM propose applicant close out. The approaches are outlined in the RFP and HUD requirements. There are some minor variations but close out is the same for all proposers	<b>No difference</b> in close out between IEM and AECOM.

Additionally, the State has mandated the use of eGrants and Xactimate software. This fundamentally drives the approach for the project. For example, if one was building a house and talked to 5 builders each of whom has built 1,000 homes, there is no reason why each could not

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build a home. In other words, the State mandated tools lead to solutions that will be very similar across all contractors.

***AECOM and IEM should have had similar scores on the Approach, since the framework for Approach is set by the State, and each of AECOM and IEM has performed this work in the past, although AECOM has much more experience in these regards.***