

Our Transportation System is in Crisis - 47

Big deal! So another Government has fired Parsons Brinckerhoff (PB). This time the Government of TnT has cancelled the contract of their consultant for the procurement of a contractor to plan, design, build, operate, and maintain the introduction of a 120-km rapid rail system. The Trinidad Express newspapers of November 3, 2006 quoted the Government agency for the project (National Infrastructure Development Company Limited, NIDCO) that a consultant on the PB team "has had an association with one or more of the tenderers for the project."

The Government would like to impress the public that "any potential, actual or apparent conflict of interest is removed from the project." And that Government will remove any wrong doing in its mandate to evaluate and select a single contractor by December 2006 to implement the largest infrastructure project ever attempted in the history of TnT, which construction would be undertaken over many years.

This disclosure has served to strengthen my concern for the process being adopted, and more importantly, has exposed some serious issues, which I will address today.

The prestigious Engineering News Records Journal reported on January 1, 2006 that the Bistate Development Agency, responsible for the light rail system in St. Louis, Missouri, which is also called the Metro, terminated the original engineering design and construction management team, on the Metro extension and then in late 2004 sued them in St. Louis County court for damages based on negligence, breach of contract, tortious interference and several counts of fraud.

This team, known as Cross County Collaborative, included

Parsons Brinckerhoff. The Metro project is over a year late and the cost of the 13-km extension is now tabbed at US\$550 million, or about US\$150 million over the early project estimates. The trial will begin in January 2007.

We must not forget that in January 2006 Government varied their contract with PB for the Comprehensive National Transport Study (CNTS) which was made by the Central Tenders Board (CTB) in February 2005, in order to get PB to be their consultant for the rapid rail project procurement. The rail project was only handed to NIDCO in June 2006, and a Sole Select contract was established with PB. To date, it is not public knowledge why PB was favoured as the best rapid rail consultant to advise the Government.

In their quest for a speedy introduction of rapid rail, the Government erred by creating a conflict of interest in inviting PB to be their rail consultant while PB was already contracted for the CNTS. PB, in turn, completely discredited themselves by accepting the invitation, when they could easily have reminded Government that part of PB's responsibility was to evaluate alternative modes of transport for appropriate selection. Would this great international transport expert not have known that a full transportation and economic feasibility study was required for rapid rail? Did they document this somewhere? Now, with their firing from the rail project, the entire rail project as well as the CNTS may have been compromised.

The entire rail procurement process, from preparation of the Request for Proposals (RFP) to the recommendation of Qualifications Based Selection (QBS) method, which has no consideration price for the evaluation and selection of the rail contractor, and all the advice in

between has been prepared by PB. Can any rail bidder still be comfortable with the process?

The Government has stated that PB has recommended rail in the CNTS to be the backbone of transportation in this country. Can we have any confidence in their submissions? Might they have had an interest all along?

This country's experience the last time a foreign consultant employed QBS on a massive transportation project, the Piarco International Airport upgrade, has not been a proud one. Mr. Eduardo Hillman-Waller, principal of the Birk-Hillman of Miami, Consultant for the project, just pleaded guilty in a Miami court, along with Mr. Raul Gutierrez, principal of Calmaquip Engineering Corp, of defrauding the Government of TnT "by manipulating the bid process for certain Piarco International Airport construction packages so that the defendants would unjustly enrich themselves through the receipt of proceeds from excessively inflated contracts" (Newsday, Nov 7, 2006).

The Government has many choices in determining how to select a DBOM contractor, from QBS process with no price consideration to low-bid process. How has it been decided that the QBS approach is the most advantageous for the rapid rail transport project?

At the informational meeting this past March, Mr. Krishna N. Murthy, Senior Vice-President, PB and overall Programme Manager for the rail project stated that in his 33 years of experience, as far as he knows, there has been no other project in the world "where the design-build-operate-maintain DBOM contractor gets to plan the project," and that this was an "exciting challenge." How can PB expect an experienced DBOM contractor who has never ever had to compete on the basis of the

inclusion of planning as a major component of DBOM be comfortable with the preparation of such a tender, and worse with the evaluation procedure, seeing that the evaluators have also never done this before?

There appears to be danger down the road. I suggest that the following be adopted: (a) stop the current rail procurement process; (b) set up a transit technical committee; (c) invite consultants to submit proposals to do an integrated transit feasibility study, which includes consideration of light rail, rapid rail, bus rapid transit, ferry, existing buses, maxis, and taxis, etc. over a period of three to five months, making full use of the data collected and travel models developed from the CNTS; and, (d) whatever feasible alternatives are recommended, invite DBOM contractors for low-bid tendering.

Why the urgency of signing a rapid rail contract by December 2006?

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