

Topic: **Reservoir Committee Agenda Item 6-1 2018 March 16**

Subject: **Procurement Plan**

Requested Action:

Discussion and possible direction to staff regarding the proposed procurement plan to be used to retain consultant services needed in Phase 2 to advance the project.

Detailed Description/Background:

The Phase 1 Completion Schedule synchronizes the primary scopes of work, that have been organized into 7 tracks, based on meeting the aggressive milestones established in Chapter 8 of Proposition 1 (WSIP) and the resulting regulations. The next critical milestone is completion of all environmental documentation and acquisition of permits before January 1, 2022, which coincides with the proposed end of Phase 2.

To ensure this milestone is met, which becomes the precursor to delivering Proposition 1-eligible benefits by the year 2030, the Reservoir Committee and Authority need to acquire the resources that will perform the work. This work will be identified in a detail Phase 2 work plan and budget for approval by the Reservoir Committee and Authority, respectively. These resources will be obtained through professional services agreements based on a qualifications-based selection process to obtain the best value.

This process, from release of a request for qualifications (RFQ) through negotiation/award of contracts and first set of task orders will take at least 7 months. Further, due to the size and complexity of the Sites Project, approximately 9 discipline-specific scopes of work will need to be negotiated from qualified firms within the architect/engineering (A/E) industry. To prevent further delays, a single solicitation for all 9 disciplines is planned. This process will allow a firm (or joint venture) to either propose on an individual discipline or to combine (or bundle) some of these disciplines in a manner that could produce greater synergies and value compared to awarding up to 9 discipline-specific contracts.

However, prior to awarding any contracts, the Phase 2 participation agreements need to be executed and initial Phase 2 funding received. Due to the anticipated volume of work being planned for Phase 2, it is anticipated that some form of interim financing will be needed. This Phase 2 funding plan needs to be approved and in place as an important input to the Phase 1 rebalancing process. This funding plan also needs to incorporate potential funding from either State (via WSIP) and/or Federal (via WIIN Act &/or potential grants), which may not be received in a timely manner that aligns with the proposed work plan.

The risk of delay in funding, regardless of the source, may require a "soft-start" of the Phase 2 work; which is also being factored into the proposed procurement plan - along with the need to address the transition from Phase 2 to subsequent Phases 3 and 4.

Prior Reservoir Committee Action:

December 21, 2017 Reservoir Committee Meeting: Construction Industry Institute's, Owner's Tool for Project Delivery and Contract Strategy (PDCS) Selection was used to identify and prioritize a set of values to then identify the delivery methods best suited to achieve those values. The results indicated that alternative delivery methods are expected to provide the best value.

January 18, 2018 Joint Authority/Reservoir Committee Workshop: A proposed procurement strategy that incorporates the use of alternative delivery methods along with critical success factors that are unique to the development of the Sites Project was discussed.

February 15, 2018 Reservoir Committee Meeting: The most-commonly used alternative delivery methods were presented and compared/contrasted. The primary differences are: the owner's level of involvement, allocation of risk, and the relationship of performance, cost, and schedule.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Jim Watson

Attachments:

None.