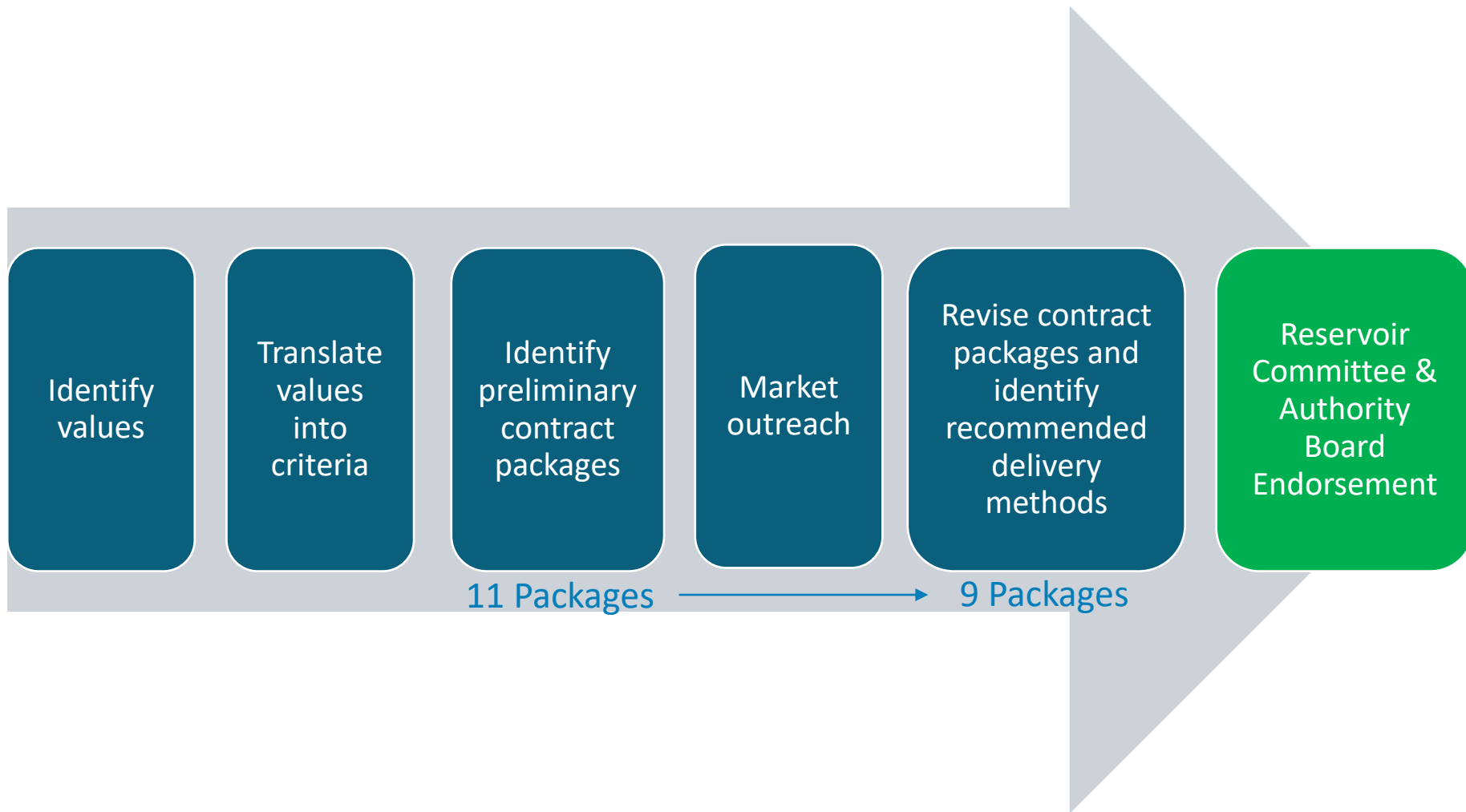


Agenda Item 2.4

Contracting Strategy

JP Robinette

Process for Developing the Contract Strategy Recommendation



Contract Strategy Values



Oversight: Given the Authority's size and desire to remain streamline, it will need to take an oversight role during design and construction. Recommend bringing an operations perspective for design input.



Construction Contracts: The number and size of construction contracts should prioritize qualified contractors and management of cost & risk.



Project Costs: Cost certainty must be established as soon as possible.

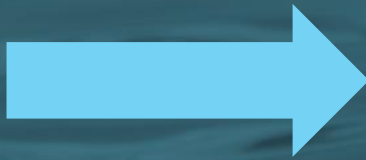


Project Schedule: Look for opportunities to expedite schedule in order to reduce Project costs.



Project Risks: Balance risks with values – *share* risks with partners.

Values



Evaluation Considerations (1 of 2)

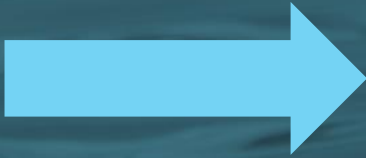
Does the recommended strategy reduce number of contracts for the Authority to manage while retaining flexibility to issue multiple construction packages?

Does the recommended strategy allow for consideration of contractor qualifications and experience where it is most critical?

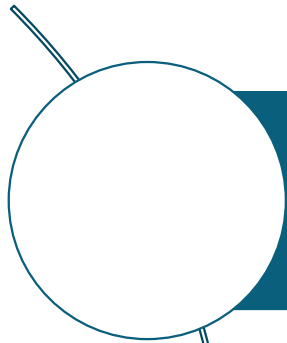
Does the recommended contract strategy enhance early cost certainty for elements that “move the needle” on overall affordability?

Does the recommended contract strategy reduce potential interface risk between contractors and help the Authority manage other risks?

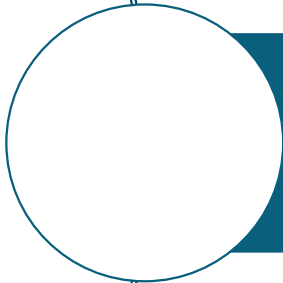
Values



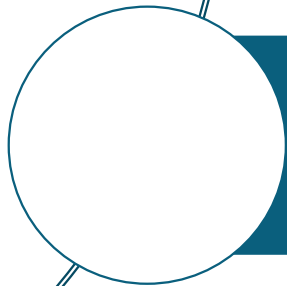
Evaluation Considerations (2 of 2)



Does the recommended contract strategy facilitate system-wide testing and commissioning, and logistical planning?



Does the recommended contract strategy facilitate early engagement of operator and community perspectives?



Does the recommended contract strategy provide opportunities for local contractors?

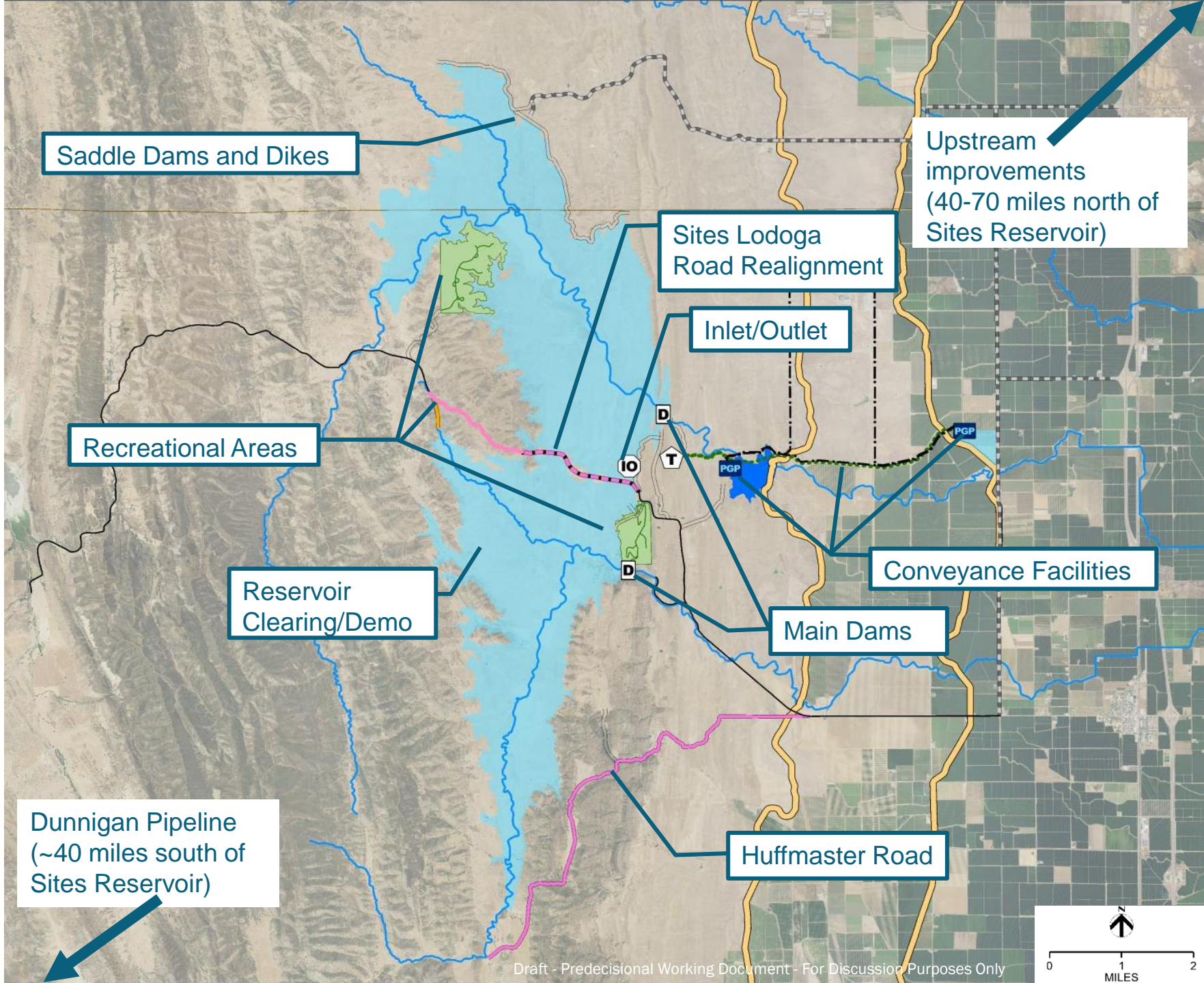
Market Outreach Takeaways



Contract Procurement: Surface Storage Projects receiving State funding

- Traditionally, Design-Bid-Build (DBB) has been the general approach for surface storage projects.
- **AB 2551** Chapter 760 authorizes the Sites Project to implement alternative delivery:
 - Construction manager at-risk (CMAR)
 - Design-build (DB: conventional, progressive, or target price)
 - Design-build-operate

Project Map



Saddle Dams and Dikes

Upstream improvements
(40-70 miles north of Sites Reservoir)

Sites Lodoga Road Realignment

Inlet/Outlet

Recreational Areas

Reservoir Clearing/Demo

Conveyance Facilities

Main Dams

Huffmaster Road

Dunnigan Pipeline
(~40 miles south of Sites Reservoir)



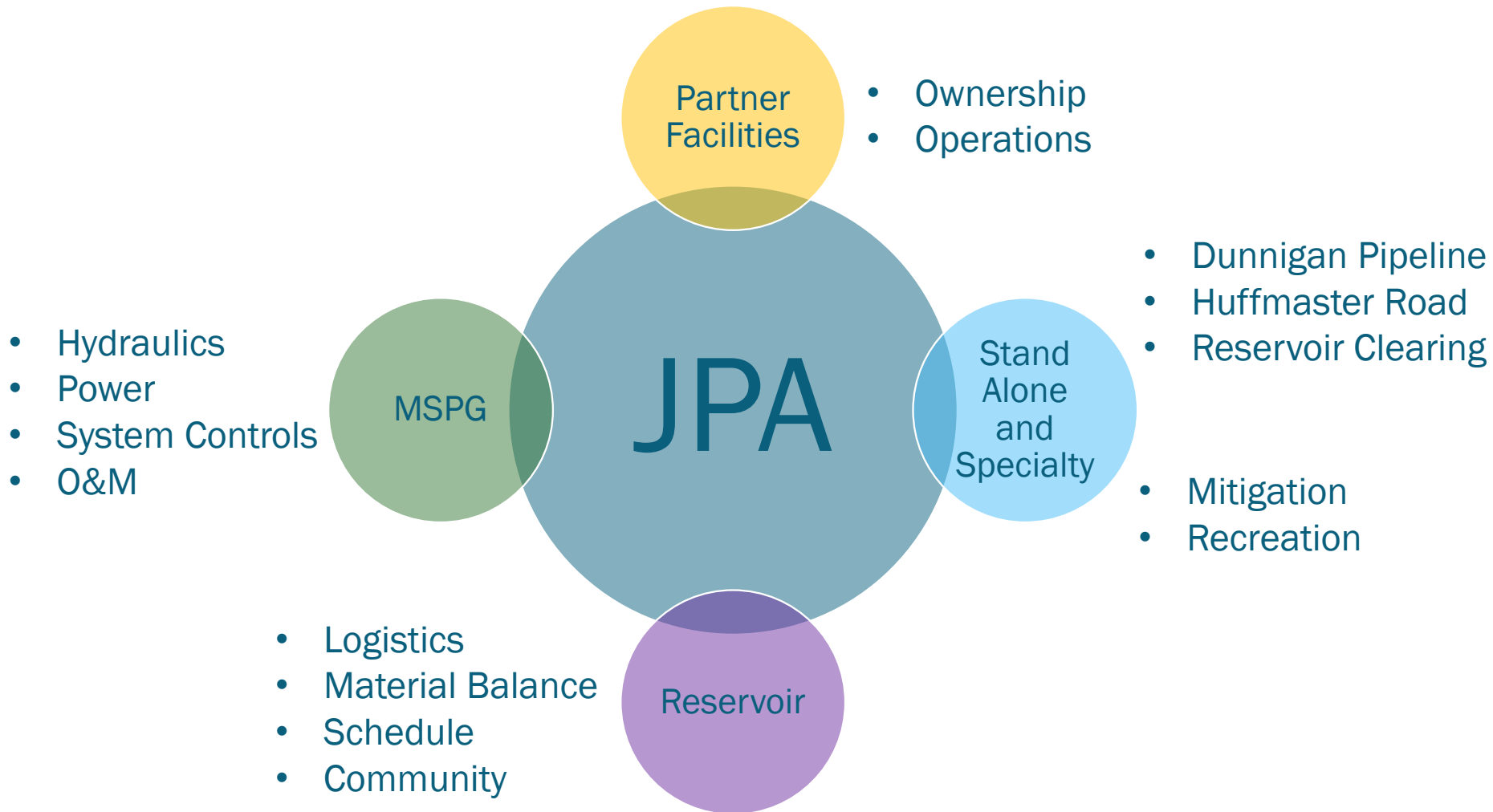
Recommended Packages and Delivery Methods (1 of 2)

No.	Package	Estimated Value (2021\$)	Major Facilities	Recommended Delivery Method	Key Risk Areas
1	Reservoir	\$2.0 B	2 Main Dams 7 Saddle Dams 2 Saddle Dikes Sites-Lodoga Road & Bridge Construction/Access/O&M Roads	Construction Manager at Risk (CMAR)	Logistics Material Balance Schedule Community
2	Maxwell-Sites Pumping and Generating (MSPG)	\$1.15 B	Inlet/Outlet Tower Inlet/Outlet Tunnel Pipelines and Manifold 2 Pumping and Generating Plants 2 Power Interconnection Facilities Instrumentation and Controls Forebay/afterbay Improvements	CMAR	Hydraulics Power System Controls Operation & Maintenance
3	Reservoir Clearing and Demolition	\$35 M	Clearing and Demolition within Reservoir Footprint	Design-Bid-Build (DBB)	Community
4	Huffmaster Road	\$50 M	Local Access Road	DBB	Community
5	Dunnigan Pipeline	\$100 M	Canal Turnout Pipeline Colusa Basin Drain Release	DBB	Operational Flexibility

Recommended Packages and Delivery Methods (2 of 2)

No.	Package	Estimated Value (2021\$)	Major Facilities	Recommended Delivery Method	Key Risk Areas
6	Tehama Colusa Canal Authority	\$5 M	Existing Facility Improvements	Owner Agreements	Ownership & Operation
7	Glenn Colusa Irrigation District	\$7 M	Existing Facility Improvements	Owner Agreements	Ownership & Operation
8	Recreation	\$35 M	Peninsula Hills Stone Corral Creek Day-use Boat Ramp	DBB with concessions or Design-Build-Operate	Specialty
9	Mitigation	\$600 M	Implement Environmental Mitigation Commitments	Various	Schedule

Contract Strategy Risk Summary



Contract Strategy Recommendation



Proceed to develop schedules by package and for the overall program

Make adjustments to the Amendment 3 work plans to reflect packaging and overall schedule criticality

If future conditions warrant a change in packages or delivery method, then authorize Authority staff to make modifications through Amendment 3 consistent with the evaluation considerations identified in today's presentation

Procurement Strategy Considerations (next step)

- **Values** - what are the most important values to consider in selecting a contractor?
- **Timing** - are there required assurances (ROD/NOD, Water Right, financial commitments) before initiating procurement based on the Contract Strategy recommendations?
- **Guidelines** - what is the Authority's preferred target/guideline for the following criteria, and what is required by state and federal funding partners?
 - Self performance vs. subcontracting
 - Local contractor involvement
 - Workforce development and local office requirements (i.e. sales tax)
 - DBE, MBE, WBE, etc.
- **Market outreach** - what is the policy for market outreach and communication with contractors after initiation of the procurement process?
- **Authority representation** - what representation is needed on procurement evaluation committees and/or selection panels?

Questions?

