

# **Agenda Item 03-03**

# **Preparations for Phase 3/4/5**

**Reservoir Committee and Authority Board**

October 20, 2023



# Agenda

1.1 - Review and comment on building blocks for Phase 3/4/5 staffing plan in advance of procurement and contracting with Reservoir Package Construction Manager at Risk (CMAR).

- ✓ Planned Budget

1.2 – Procuring Legal Counsel Construction Support.

- ✓ Planned Budget

1.3 – Establishing the Authority’s Owner Role

# Agenda Item 3-05.1

## Procurement Strategy

JP Robinette & Jerry Brown

# Process to Develop Procurement Strategy



# Procurement Strategy

## decisions made to date

- ✓ Proposes a **collaborative approach** to procuring the CMAR for the Reservoir package
- ✓ Will include a check-in on water rights, key permits, CEQA, and financing **before initiating procurement**
- ✓ Goal to have CMAR on-board in 2025 **(to assist in developing 60% design)**

**Before we bring the contractor on board, we need to conceptually establish the “owner’s role” in delivering this project.**

# Refresher: Contract Strategy Values



**Oversight:** Given the Sites Authority's size and desire to remain streamlined, 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.

# Refresher: Contract Strategy Risk Summary



# The owner must take a proactive role in a CMAR delivery

“CMAR project delivery is most often chosen when the owner wants to capture some of the benefits of design-build delivery, while maintaining **direct control** of project definition and design. The primary disadvantage of CMAR, compared with design-build, is the lack of single-point accountability; **CMAR requires the owner to be more proactive in promoting collaboration between the designer and the builder.**”

*Water and Wastewater Collaborative Delivery Handbook, Water Collaborative Delivery Association*



# Typical "Owner's Role" in Civil Works Construction

- **Manages Budget** – allocate funds, monitor expenses, ensures project stays within approved budget limits
- **Hires and Contracts for Expertise** – selecting contractors, suppliers, consultants, negotiating contracts, reviewing bids, awarding contracts
- **Complies with Regulations** – ensures compliance with laws, regulations, permits, and approvals
- **Oversees the Project** – monitors and ensures progress according to approved plans and timeline, conducts inspections, address issues
- **Communicates and Manages Partners** – main point of contact for govt agencies, partners, local communities, ensures effective communication to keep everyone inform and aligned
- **Manages Risk** – identifies potential risks and uncertainties and develops strategies to mitigate – safety, contingency plans, insurance coverage
- **Ensures Quality Control** – ensuring completed project meets required quality standards
- **Receives Completed Project** – takes possession of the facility when completed and initiates operations and delivery of benefits

# Agenda Item 3-05.2

## Procuring Legal Counsel

JP Robinette & Jerry Brown

# Initiate Procurement for Legal Counsel Construction Support

- Scope:
  - Establish limits of Site Authority's over CMAR team formation
  - Develop Contract for Reservoir Package CMAR
    - Consistent with statutory and funding requirements
  - Develop Contract for Mitigation Contractor
  - Provide as needed construction claim support
  - Schedule:
    - November 2023 – Initiate Legal Counsel Procurement
    - January 2024 – Authorization of Legal Counsel Construction Support Contract
    - April 2024 – Initiate procurement of CMAR Reservoir Package

# Agenda Item 3-05.3

## Establishing Authority's Owner Role in Phase 3/2/4 Implementation

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# The 2020 Strategic Plan established ‘effective organization’ as an overarching goal

- Fundamental objectives in building a conceptual Phase 3/4/5 organization:
  - Create a lean, efficient organization, built on a culture of excellence
  - Identify “owner employees” for key positions to sufficiently oversee construction
  - Establish areas of operating/financial core competency and configure staffing to nurture and develop these areas
  - Create a culture and structure that builds institutional knowledge
  - Bring experienced and developing talent to the region with the project as opposed to cannibalizing existing talent

# Core competencies are unique abilities possessed by the organization that provide strategic advantage

## Core Operating Competencies

1. Dam safety and dam monitoring
2. In Depth Knowledge of California and Delta water operations
3. Understanding water measurement, monitoring, and reporting
4. Understanding permit requirements, compliance and regulatory reporting
5. Understanding SCADA, controls, and cybersecurity
6. Collaborating with Facility Partner/State/Federal Operations
7. Managing large rotating and hydraulic equipment (mechanical)
8. Maintaining site security
9. Preparing for and responding to emergency
10. Managing land holdings
11. Understanding electrical power budgeting, purchasing, and marketing
12. Administering agreements and contracts
13. Committed to respectful, supportive local community and tribal relations

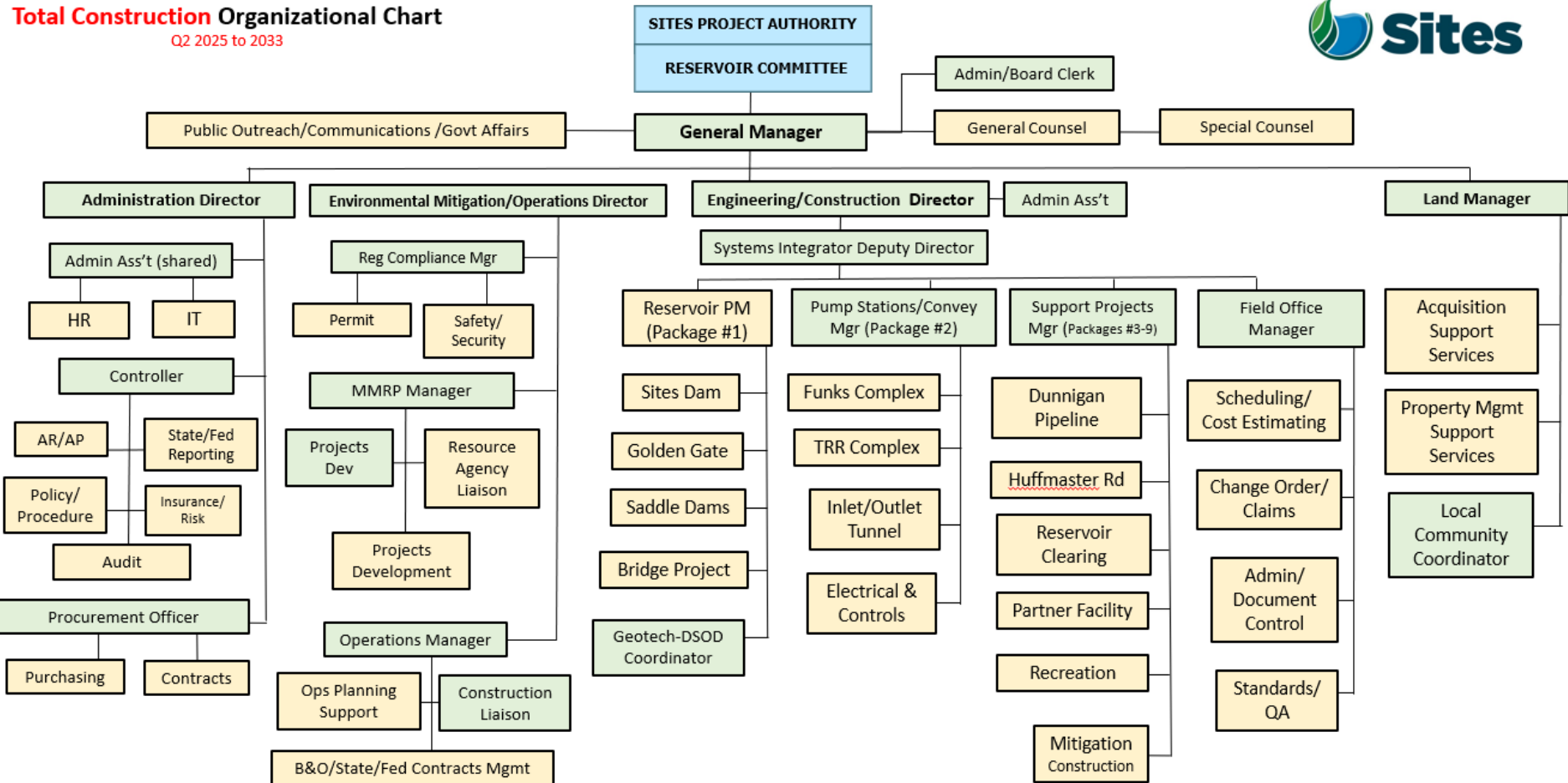
## Business Competencies

1. Financial management and controls

# Conceptual Construction Organization



**Total Construction Organizational Chart**  
Q2 2025 to 2033

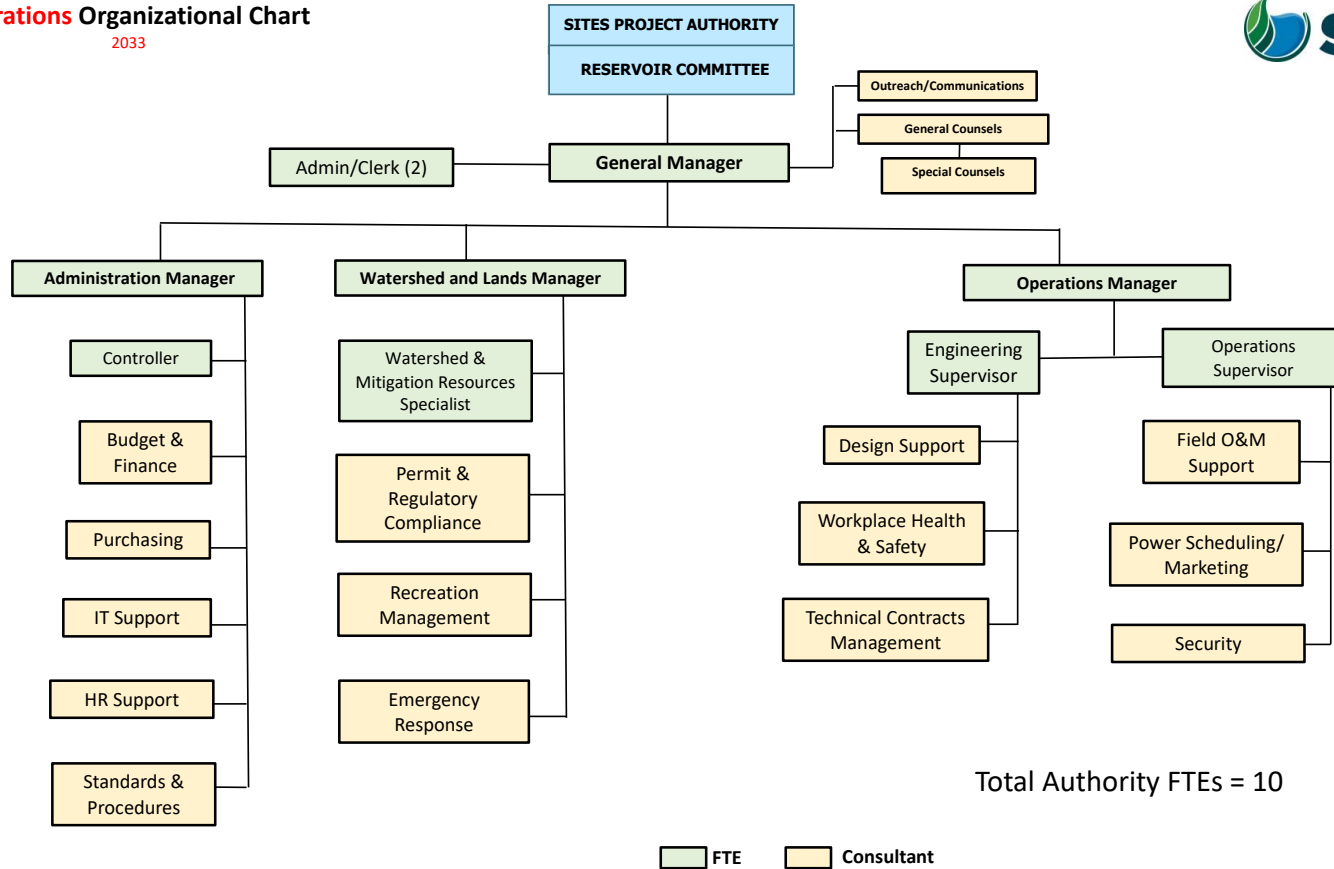


Green box = FTE    Yellow box = Consultant

Total Authority FTEs = 21

# Conceptual Operations Organization

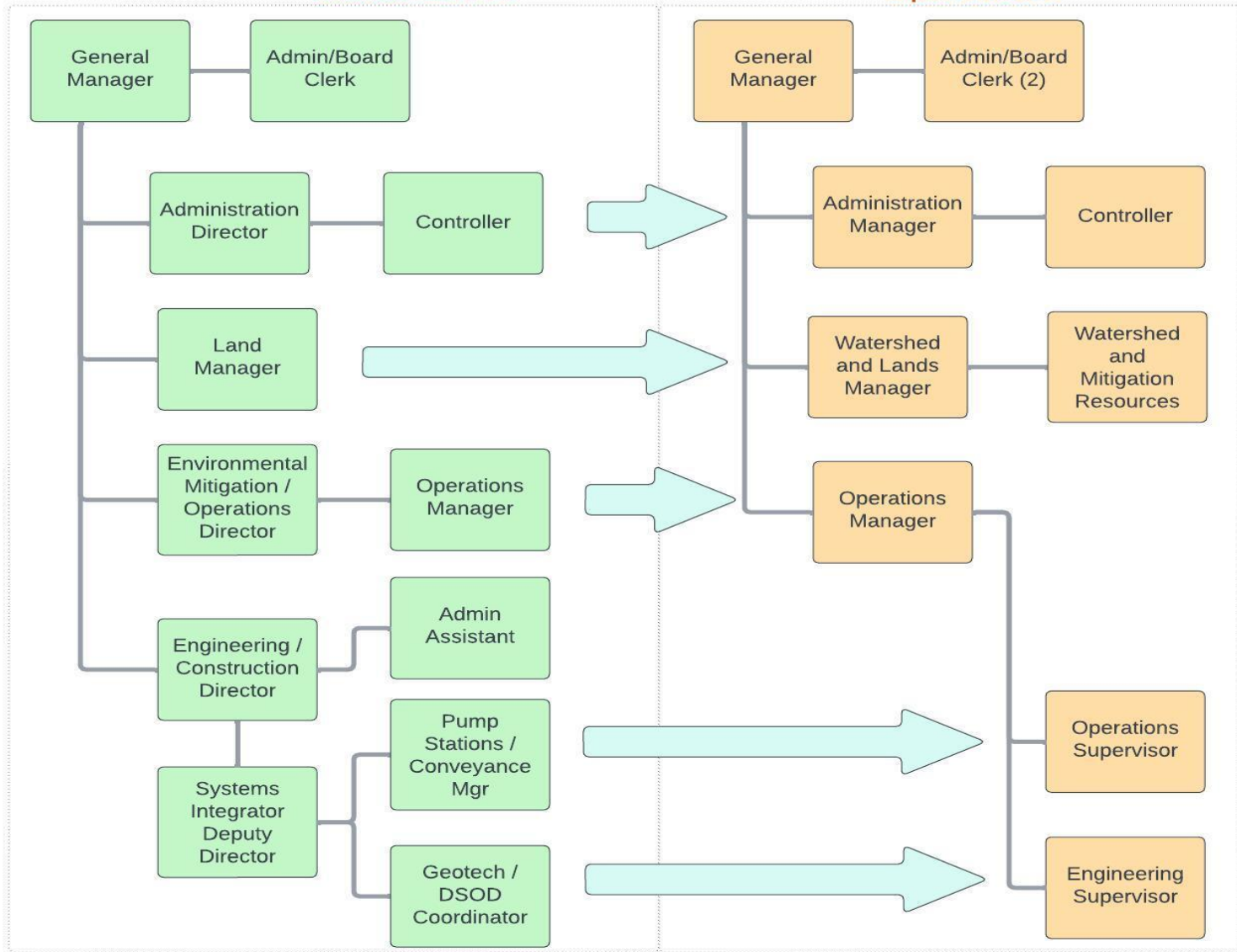
Operations Organizational Chart  
2033





# Construction

# Operations



Minimum Org to Manage Project Construction

Trained for Operations

# Mapping Construction Staff to Operations

# Next Steps for Staffing Plan Development

- O&E feedback on building blocks (objectives and desired core competencies)
  - -
- Refer further discussion and development of building blocks and staffing plan to the Governance Ad Hoc Committee – Fall 2023
- Reach consensus on a Phase 3/4/5 conceptual staffing plan among the full Board on a schedule to support the CMAR procurement.

# Questions?



# Procurement strategy next steps

- Q4 2023: Procure legal advisor
- Q3-Q4 2023: Pre-Prepare Procurement and Contract Documents
- In 2024: Check in on status of CEQA, water right, funding, Benefits and Obligations contract before “pulling the trigger” on initiating formal procurement
- Ongoing: Continue Market Engagement