

# Operations & Engineering Workgroup

September 11, 2024



# Agenda

- 1.1 – Review summary of feedback from 8/22 and 9/5 Ad Hoc Contract Strategy Subworkgroup meetings
- 1.2 – Policy guidance regarding Project workforce
- 1.3 – DSOD Update
- 1.4 – Operations Plan Feedback

# Agenda Item 1.1

Review summary of feedback from 8/22 and 9/5 Ad Hoc Contract Strategy Subworkgroup meetings

Pat Tangora



# Reservoir CMAR Procurement Preparations Checklist

Slide 1 of 3

green items are focus for today

## Procurement Process and RFQ Criteria

- Which technical and managerial considerations (including community involvement and environmental) should be considered most important to the Authority when establishing evaluation criteria and weights?

## Role of Board / Reservoir Committee and O&E Workgroup in selection and negotiation

- Should evaluations and negotiations be staff led with oversight and advice from the RC and/or O&E, or should RC and/or O&E actively participate in evaluation and negotiations?

## CMAR Contract including general and supplemental conditions

- Are there items in addition to those adopted from the Local Community Working Group that should be considered in the procurement and written into the CMAR contract?

# Reservoir CMAR Procurement Preparations Checklist

## Slide 2 of 3

### Project Labor Agreement and Workforce Training Program in alignment with Local Community Working Group recommendations

To be covered as part of  
Agenda Item 1.2

- Should the Authority set general goals but have the PLA (or PLA-like) agreement be negotiated by the selected CMAR contractor, or should the Authority require the selected CMAR contractor to comply with a PLA negotiated by the Authority? What are the interests of the Authority in a labor agreement?

### Scope Revisions including CMAR responsibilities for environmental compliance

- How will the Authority manage the interface risk between the mitigation contractor and the Reservoir and Roads CMAR? ; If changes to the Reservoir and Roads CMAR scope are proposed, does it fundamentally change the risk management approach in the adopted contract strategy?

# Reservoir CMAR Procurement Preparations Checklist

## Slide 3 of 3

### Self-Performance and Subcontracting

- What is the appropriate balance and specific considerations when considering qualifications and experience versus securing a competitive bid for the work?

### Insurance and contract security

- What level of job site and project delivery risk should the Authority take on versus that which is delegated to the contractor? For example, should the Authority consider adopting an OCIP (Owner controlled insurance program) or CCIP (contractor controlled) approach to managing insurable risks?

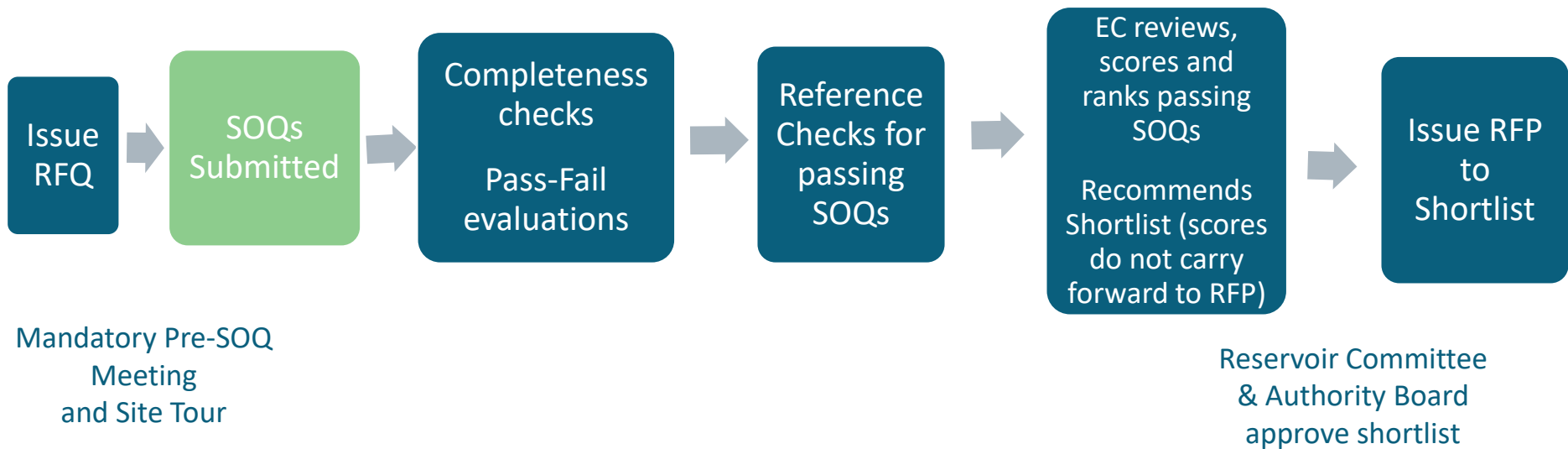
### Procurement Policy Revisions

- No policy issues currently identified

# Procurement Process Overview

EC = evaluation committee

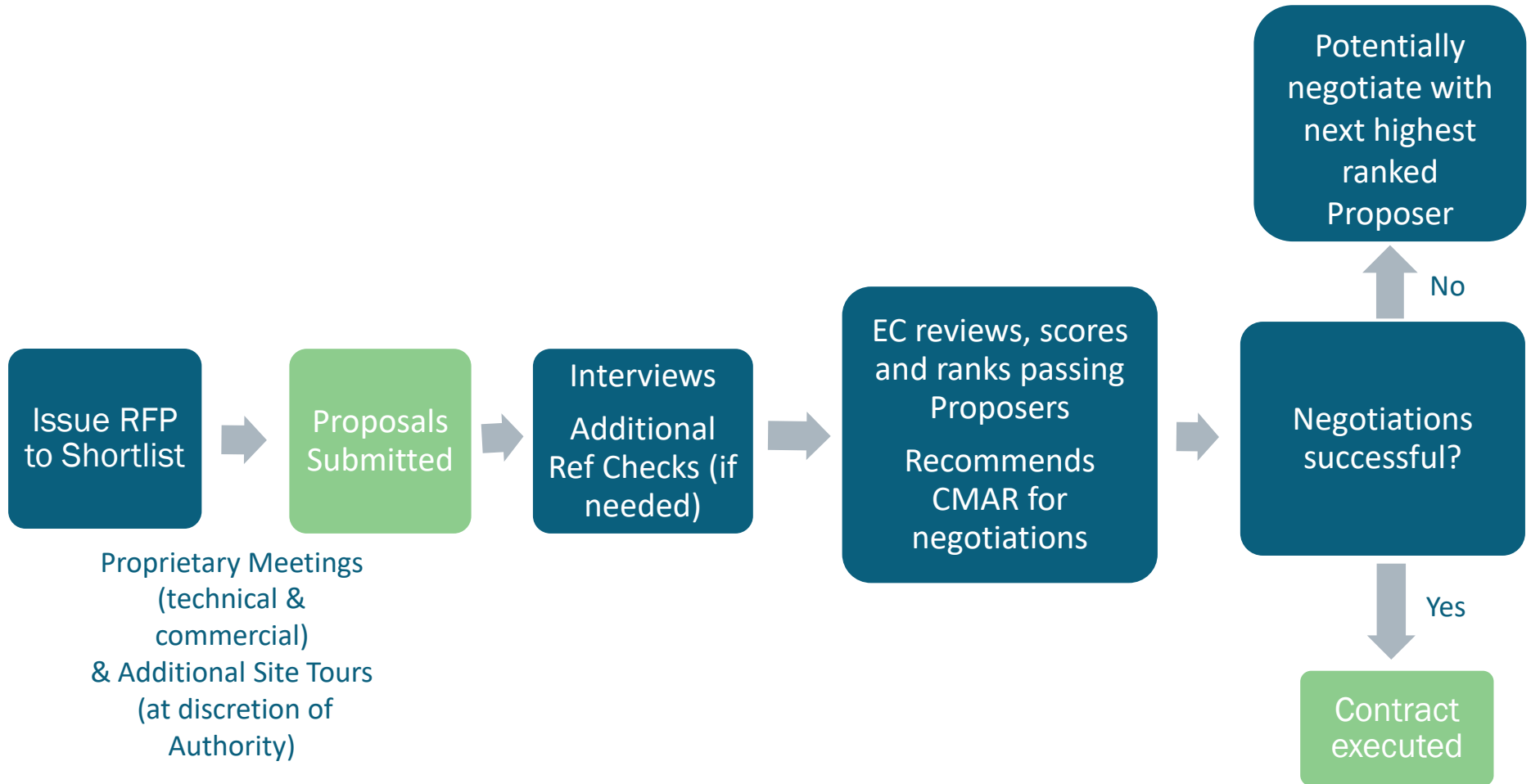
Slide 1 of 2



# Procurement Process Overview

EC = evaluation committee

Slide 2 of 2





# Recommended Procurement Process Roles

## Authority Board

- Authorizes issuance of RFQ
- Develop guidelines for negotiating team related to Authority Board Reserved Powers
- Approves Shortlist
- Authorize execution of CMAR Contract

## Reservoir Committee

- Recommends issuance of RFQ to Authority Board
- Oversees the Procurement Process
- Approves Shortlist
- Develops guidelines for negotiating team (except for Authority Board Reserved Powers)
- Recommends CMAR Contract execution to Authority Board
- Protest Resolution

## Contract Strategy Ad Hoc/ O&E Workgroup

- Provides input to Procurement Checklist Issues

# Recommended Composition of Evaluation Committee

**Evaluation Committee:** Authority Agents, Participant staff with relevant experience, and potentially consultants. *Ad Hoc Concurrence*

Required scope and time commitment for EC participation (20-30 days) *Ad Hoc recommended estimating time commitment*

- Review RFQ
- Review, Score, and Rank SOQs
- Attend Evaluation Committee deliberations regarding SOQs
- Recommends short-list for Board approval
- Review RFP
- Attend Proprietary Meetings
- Conduct initial review of Proposals
- Prep for and attend interviews
- Review report on Reference Checking
- Review, score, and rank Proposals
- Attend Evaluation Committee deliberations regarding Proposals and Interviews
- Recommend CMAR for negotiation
- Attend/support negotiations

# Desired Qualifications and experience of Evaluation Committee Participant Members

- Design and construction of earthen dams
- CMAR contracting
- Procurement of large (\$500M+) civil construction projects

# Non Scored Evaluation Criteria



Proposed Prime CMAR contractor has experience with successful construction of at least one earth-fill dam of similar size and complexity to Golden Gate and Sites Dams



Proposed Prime CMAR contractor has experience as the CMAR (or GC/CM) on at least one project and Project Director/Project Manager(s) each have experience on at least one CMAR project



Required Licenses and Certifications



Acceptable Safety Program and Statistics



Sufficient Bonding Capacity



Ability to Provide Required Insurance



Sufficient Financial Strength to Complete a Project of the Expected Size (value) and duration as the Sites Reservoir Package



Enforceable Commitment for Skilled and Trained Work Force

# Scored Evaluation Criteria

Criteria	Relative Importance (High Medium Low – for Discussion)
1. Experience of prime contractor with successful construction of earth-fill dams and appurtenant structures of similar size and complexity to Golden Gate and Sites Dams	High
2. Experience with CMAR Project Delivery (or similar deliveries, e.g., General Contractor / Construction Manager)	High
3. Proposed Team and Approach to Self-Performance and Subcontracting	
4. Labor Relations	
5. Community Relations	
6. Working Relationships with Public Owners similar to the Sites Authority	
7. Experience working with Regulatory Agencies and Other Third Parties <ul style="list-style-type: none"> <li>• DSOD or Dam Safety agencies</li> <li>• Environmental or Natural Resource Agencies</li> <li>• Other construction contractors working in the project vicinity</li> </ul>	
8. Key Personnel Experience, Capabilities, and Organization including transition from pre-construction to construction (Key Personnel include Project Director, Project Manager(s), Pre-Construction Manager, Superintendents, Public Outreach Manager(s), Safety Manager, Quality Assurance Manager, Project Controls Lead (Scheduler and Lead Cost Estimator), [Environmental Mitigation Manager], Environmental Compliance Manager	
<b>Other???</b>	

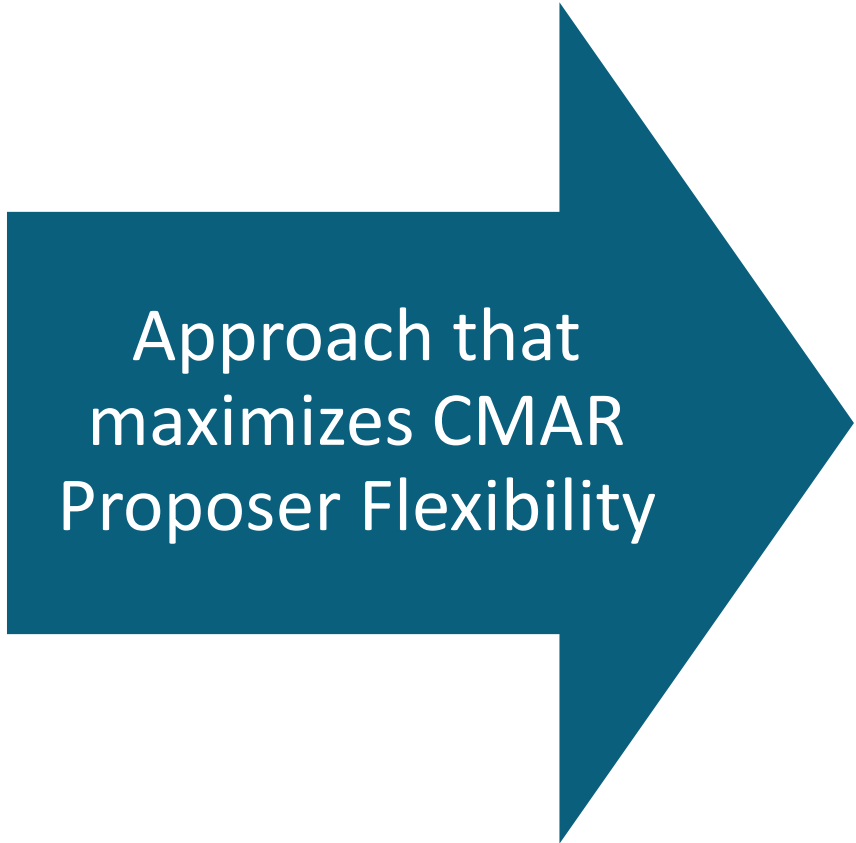
# Global Approach to Commercial Terms

- Within the Draft CMAR Contract, BBK will address commercial terms typically requested by contractors.
  - Limitation of Liability
  - Waive of Consequential Damages
  - Liquidated Damages
  - Indemnification
  - Material Escalation (under discussion)
- Terms will be legal, firm, but not punitive or unreasonable.
- Terms likely will be negotiated with the selected CMAR.

# Self Performance and Subcontracting / Scope Revisions



Granular Definition  
of Work



Approach that  
maximizes CMAR  
Proposer Flexibility

# Draft CMAR Contract Update

- Going through the Local Community Working Group recommendations and determining where in the process each recommendation should be addressed
- Initially, it appears that most items should be addressed in the procurement process as well as in the CMAR Contract and/or GMP packages
- Some Local Community Working Group recommendations could have a broader impact/scope and affect more than the Reservoir package (i.e., the Conveyance package and/or County Developer Agreements)



# Updates to the Procurement Policy

- Expanding the Policy to include construction related procurements including both state and federal requirements.
  - Sites Authority internal policies.
  - Contractor flow downs.
- August 30, 2024, participated in brainstorming meeting with Sites Authority team including Joe Trapasso.
- Currently incorporating all updates to Policy with tentative presentation to Board in November.

# Next Steps

- Continue to coordinate with Contract Strategy Ad Hoc on Procurement Issues Checklist Discussion Topics
- Come back to O&E Workgroup at November meeting with recommendations for consideration

# Agenda Item 1.2

Policy guidance regarding Project workforce

JP Robinette

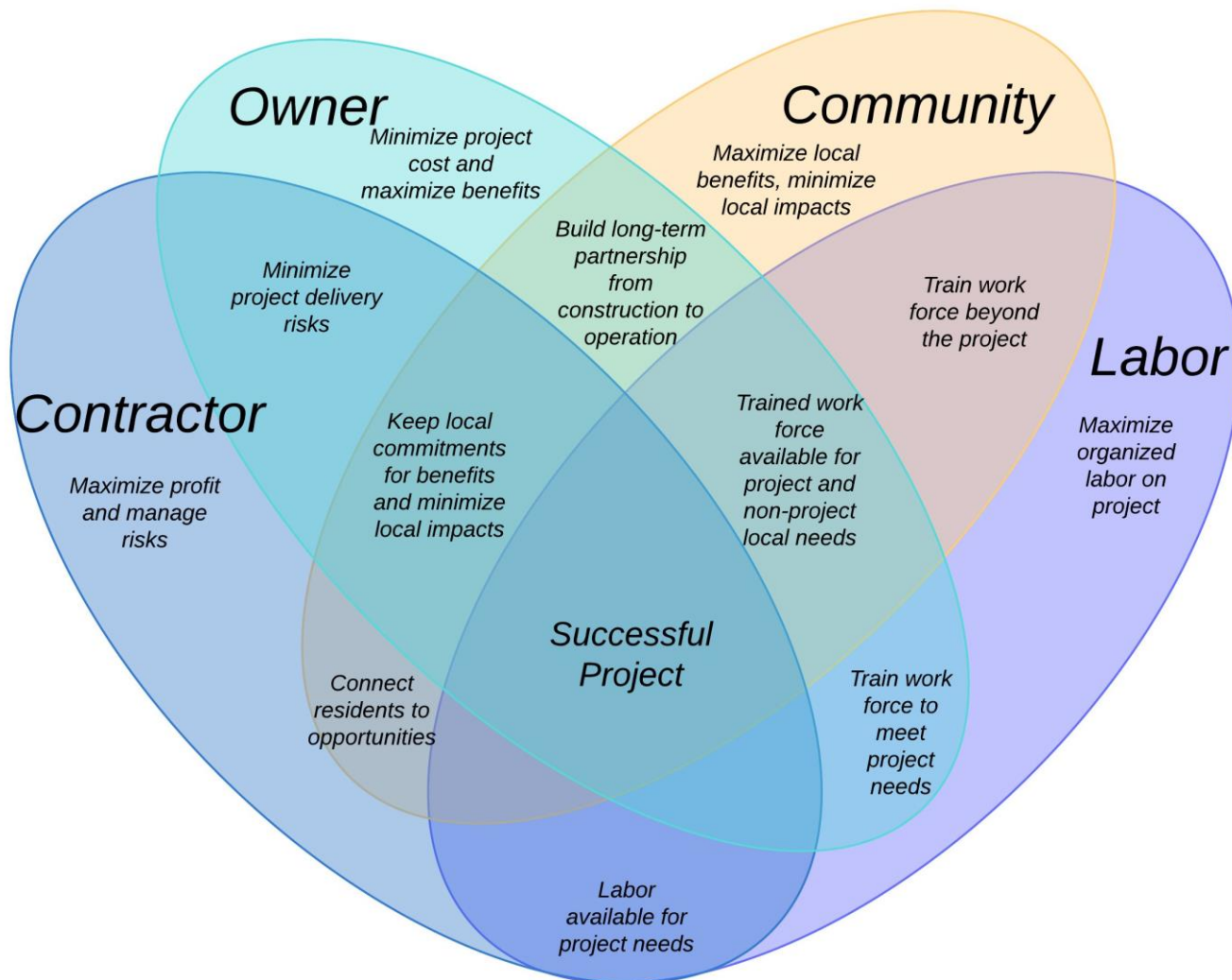
# Refresher from the procurement checklist:

Project Labor Agreement and Workforce Training Program in alignment with Local Community Working Group recommendations

- Should the Authority set general goals but have the PLA (or PLA-like) agreement be negotiated by the selected CMAR contractor, or should the Authority require the selected CMAR contractor to comply with a PLA negotiated by the Authority? What are the interests of the Authority in a labor agreement?

**We will discuss the second question first today**

# There are unique and overlapping workforce interests between four parties



# Program vs. Project workforce approach

Near-term, the need for policy direction relates to the Reservoir CMAR contractor procurement. Staff would like to set expectations during the RFQ process with a target release month of November 2024.

With the CMAR approach being taken, the trained workforce requirements from AB 2551 are triggered.

A Project Labor Agreement for the Reservoir Construction Package would need to comply with the legislation.

# Staff seeks feedback on a straw approach to meeting shared interests and complying with legislation

Establish a Programmatic workforce policy **or** agreement with appropriate parties that focuses on:

- Acknowledging the history, working relationship, and shared interests between the Authority, the community, the contractor, and labor
- Setting up expeditious negotiation of Project Labor Agreements for construction contracts utilizing alternative delivery and including key terms such as:
  - Any exclusions or uncovered work
  - Required signatory trades
  - Employment of local workers
  - Wages and benefits
  - Commitments to no work stoppages and designation of management rights
  - **Safety, drug, and alcohol testing [added after meeting]**
  - Workforce development and training requirements
- Delegating the negotiation of a Project Labor Agreement to the Authority's selected CMAR
- Balancing the need for flexibility with future work, some of which doesn't use alternative delivery, and for early certainty on workforce development
- **Establishing goals and incentivizing behaviors (and establish metrics and mitigation measures) consistent with the LCWG policy recommendations [added during meeting]**

# Why should the contractor negotiate project-specific PLAs?

- The contractor should manage the risk for staffing the project, avoiding schedule delays, and complying with flowed-down labor requirements. PLAs are an important component to managing this risk.
- Project-specific PLAs can focus on the applicable trades to the scope of work and the means and methods of the contractor.
- Many contractors interested in Sites are already signatories with trade unions applicable to this scope of work.
- The Authority can apply lessons learned to the next CMAR, the Maxwell-Sites Pumping and Generating package which will lag by 6-12 months.



# Proposed path forward

- Continue developing details with the Contract Strategy Adhoc
- Provide a draft of the workforce approach and request input from proposers in the CMAR RFQ (target: Nov, 2024)
- Use the time ahead of the RFP to:
  - Continue discussions with the Local Community Working Group
  - Incorporate input from the proposing contractor SOQs
  - Build on the existing relationships with the trades
  - Finalize workforce policy or programmatic workforce agreement (aka our workforce approach) and integrate it into the CMAR contract.
- Provide Authority workforce approach and request proposers to describe approach for meeting expectations in response to the RFP; score contractor approach

# Agenda Item 1.3

DSOD Update

Henry Luu



# Division of Safety of Dams (DSOD)

- Authorized by the California Water Code – charged to prevent dam failures, safeguard life, and protect property
- Provides oversight to the design, construction, and maintenance of dams within California jurisdiction
  - Ensures dams and appurtenant structures are designed to meet minimum requirements
  - Perform independent analysis to understand dam and appurtenant structures performance
  - Oversee construction to ensure work is in accordance with approve plans and specifications
  - Annual dam inspections
  - Periodic review of existing dams and major appurtenances considering industry improvements in design approaches and requirements or new findings

# DSOD Coordination

- 30% Design completed with input from DSOD on the following key assumptions:
  - Geotechnical Investigation Work Plan
  - Seismic hazard analysis and source characterization
  - Emergency Drawdown Criteria
  - TRR jurisdictional determination
- No fatal flaws with technical considerations to date
- Next step: submit **DSOD Reservoir Construction Application and required fee** – seeking input prior to initiating this milestone

# DSOD Construction Application Fee

- Non-refundable – based on the estimated project cost of jurisdictional components and fee schedule that is adjusted annually (July 1) to reflect changes in the Consumer Price Index
- “In the event the actual cost exceeds the estimated cost by more than 15 percent, a further fee will be required. The further fee will be calculated as 115 percent of the difference between the fee required based on the actual project cost and the original fee paid”

# DSOD Fee Schedule (FY 2024/2025)

A fee of	Based on the Project Cost	
<b>3.36%</b>	For the first	\$1,000,000
<b>2.58%</b>	For the next	\$4,000,000
<b>2.07%</b>	For the next	\$15,000,000
<b>1.81%</b>	For the next	\$30,000,000
<b>1.29%</b>	For the next	\$100,000,000
<b>0.78%</b>	For the next	\$350,000,000
<b>0.52%</b>	For all costs in excess of	\$500,000,000

# Jurisdictional Components

Facility	Estimated Cost (2021\$)
Site Demolition and Clearing Work	\$33,015,981
Golden Gate Dam	\$695,724,122
Sites Dam & Diversion	\$361,046,214
Saddle Dam 3	\$248,303,733
Saddle Dam 5	\$93,453,884
Other Saddle Dams & Spillway	\$142,972,082
Inlet-Outlet Facility	\$263,557,497
Funks PGP & Dissipation Structure	\$114,400,000
TRR/Funks Pipelines	\$226,840,000
TRR PGP & Dissipation Structure	\$112,730,000
Cost for preparing CEQA	\$23,882,000
<b>TOTAL</b>	<b>\$2,315,925,513</b>

# Estimated Application Fee

<b>For the first one million dollars (\$1,000,000), a fee of 3.36%</b>	<b>\$33,600</b>
<b>For the next four million dollars (\$4,000,000), a fee of 2.58%</b>	<b>\$103,200</b>
<b>For the next fifteen million dollars (\$15,000,000), a fee of 2.07%</b>	<b>\$310,500</b>
<b>For the next thirty million dollars (\$30,000,000), a fee of 1.81%</b>	<b>\$543,000</b>
<b>For the next one hundred million dollars (\$100,000,000), a fee of 1.29%</b>	<b>\$1,290,000</b>
<b>For the next three hundred fifty million dollars (\$350,000,000), a fee of 0.78%</b>	<b>\$2,730,000</b>
<b>For all costs in excess of five hundred million dollars (\$500,000,000), a fee of 0.52%</b>	<b>\$9,442,813</b>
<b>TOTAL</b>	<b>\$14,453,113</b>



# DSOD Application & Staged Payment

- Staff has coordinated with DSOD for a 3-stage payment plan that will meet the total application fee obligation
  - Required initial payment is 20% of the total application fee: \$2,890,623
  - The two subsequent fee installments will occur as part of Phase 3 Work Plan and is anticipated to be split evenly on a submittal schedule that will be commensurate with the 60% and 90% design development stages
- The total application fee must be submitted prior to commencing construction of project jurisdictional component(s)

# Why now?

- There is sufficient time for DSOD review and input before further advancing design
  - DSOD review and independent analysis could take up to 12-months to complete for each stage of design
- ‘Lock-in’ the application fee schedule rate

# Questions?



# Agenda Item 1.4

**Draft Operations Plan Feedback**

Ali Forsythe and Angela Bezzone



# Agenda Item 2

Engineering and Construction Manager's Report

JP Robinette



# E&C Manager's Report Topics

1. Cost Estimate Update
2. Geotech Field Work Update
3. Future Agenda Items
  1. Reservoir CMAR RFQ
  2. Operations Plan
  3. Project Costs and Benefits

# Questions?



# Thank you!

Next Meeting:

Wednesday, November 13, 2024 (1:30 pm – 3:30 pm)

(likely to move to November 6 pending Board authorization to reschedule November board meeting)

