



Meeting: **Reservoir Committee & Authority Board  
Agenda Item 3.4**

**May 17, 2024**

Subject: **Reservoir Construction Manager A Risk (CMAR) Strategy and Process**

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**Requested Action:**

Receive an update on the activities related to implementing the Reservoir CMAR contracting strategy and process.

**Detailed Description/Background:**

Development and construction of the Sites Reservoir Project (“Project”) is a significant undertaking that requires significant planning and a strategized approach to meet the adopted October 2023 Program Schedule establishing an end of 2032 completion Date. In July 2022, the Sites Authority adopted the Contracting Strategy to define the Project construction packages and delivery methods while maximizing benefits and reducing risks for the Sites Authority. In October of 2023 an implementation update was provided for two major activities, procuring Legal Counsel for Construction Support and guidelines for the Authority’s Owner role in implementation of Phase 3/4/5.

In March 2024 the Sites Authority awarded a contract to Best, Best, & Krieger for the construction legal services- civil works and activities are underway for review and applying the legislation toward developing the CMAR contracts, preparing a Project Labor Agreement, and implementing community workforce training.

The two main packages (Reservoir and Maxwell Sites Pumping and Generating) in the adopted Contracting Strategy are currently envisioned to be delivered utilizing CMAR contracts. CMAR contracting allows for early selection of the contractor considering qualifications for construction work, provides earlier cost certainty and reduces the Sites Authority’s interface risk by combining operational elements under a single construction contract.

One of the critical follow-up activities from the Contracting Strategy includes developing procurement activities and specific contracting considerations for the two CMAR packages (the “Procurement Strategy”). The initial focus is on the estimated \$2B (2021 \$) Reservoir package because it has the highest schedule criticality.

In moving forward with the first CMAR procurement for the Reservoir, staff, with the input of the Operations and Engineering Workgroup, is preparing to

bring to the full Board in the next couple of months, an overview of the CMAR process including the process forward and the benefits for risk management, cost and schedule certainty, development of Guaranteed Maximum Price, change management and responsibility of CMAR and Sites Authority staff.

Staff is seeking Board input, if any, on these considerations. Staff will continue to develop the Reservoir CMAR procurement strategy and approach with input from the Operations & Engineering (O&E) Workgroup and Ad Hoc O&E workgroup. These preparations will allow us to proceed into procurement of the Reservoir CMAR later in the summer.

**Prior Action:**

October 2023: Preparations for Phase 3/4/5 implementation related to contracting.

**Fiscal Impact/Funding Source:**

The Amendment 3 Work Plan includes sufficient budget to cover required resources and activities to implement these next steps for the adopted Contracting Strategy.

**Staff Contact:**

JP Robinette

**Primary Service Provider:**

Brown & Caldwell

**Attachments:**

None.