

Reservoir Committee and Authority Board Meeting

Agenda Item 3.2: Process and Timeline for
Procuring Reservoir Package CMAR Contractor

July 19 , 2023



Requested Acton

Review and comment on process and timeline for procuring the first Construction Manager at Risk (CMAR) for the Sites Project

Background

- 2021-mid 2022: Staff developed draft Contracting Strategy to define construction packages and delivery methods for the Sites Project
- Board's adopted Contracting Strategy (July 2022) recommended 2 major CMAR contracts*:
 - Reservoir Package covering dams and most roads
 - Maxwell Sites Pumping and Generating Package, covering major conveyance, mechanical, and electrical
- The Contracting Strategy also recommended procuring the Reservoir CMAR contractor first due to schedule criticality

*The two CMAR packages account for most of the Project, but the Contracting Strategy also recommended traditional design-bid-build for some elements, and DBO contracting is under consideration for terrestrial biological mitigation

CMAR Primary Attributes

Procurement: Selection of CMAR emphasizes qualifications and occurs relatively early in the design development process

Phase 1: Preconstruction Phase

- Design by the engineer is progressed in parallel with construction planning, scheduling and cost estimating by the CMAR, reduces delivery risk.
- Development of template and “open book” cost estimate for construction.

Phase 2 Construction

- Similar to a standard construction contract.
 - Some constructability risk transferred to CMAR
- Direct construction work may be subcontracted or self-performed.

Why CMAR Contracting?

1

- Allows for early selection of the construction contractor prior to completion of the design
- Facilitates integrated project development between the designers and construction contractors

2

- Enhances the Board's ability to manage interface and logistical risks
- Logistical risks are a major consideration for the Reservoir Package which involves major earthwork

3

- Provides earlier "contractor level" cost information and potential input to value engineering efforts

Reassessment and Updates

- Staff have reviewed the adopted Contracting Strategy in light of events over the last 2 years. The reassessment concluded that CMAR contracting should continue to be pursued for the Reservoir Package because:
 - The nature of the work (primarily major earth work for the dams and road construction) has not changed, will require significant logistical coordination, and would benefit from having a single CMAR contractor
 - Allows for early construction related input to the design resulting in more efficient construction
- Based on outreach to major construction contractors, staff have confirmed that there is market interest in this work from major construction firms in the United States and potentially internationally

Reassessment and Updates (cont.)

- Staff's reassessment has identified a possible benefit from making some scope adjustments to the work to be conducted by the first and second CMAR contractors. Examples potentially include packaging the tunnels under one CMAR contract or making other adjustments to avoid double handling materials
- Staff is continuing to evaluate potential scope adjustments and will have a recommendation regarding any changes prior to issuing the RFQ for the first CMAR contractor

CMAR Alignment with Future Authority Organization

Governance Ad Hoc Committee

- Brings a “culture of excellence” by inclusion of staff, designer (Engineer of Record) and constructor during the development phase of the project

Alignment with Local Community

- Early engagement of the contractor (before major work commences) provides time to align the culture of the CMAR with that of the local community inclusive of training and job creation

Builds institutional Knowledge

- CMAR utilizes significant local resources and can assist in developing skill sets for operating and maintaining the project, providing an understanding of the inner workings of the facilities and retaining institutional knowledge

Alignment with Draft B&O Contract Terms

- The draft B&O Contract terms align with the CMAR approach
- Nothing in the comments received from Participants to date points to a need for change. For example, the draft B&O defines “Construction Contract” to mean a contract between the Sites Authority and a contractor to perform construction work for all or a portion of the Project.
- The selection of a CMAR would not constitute awarding a construction contract as the initial scope will not include construction so the Board would retain its decision-making for initiating construction

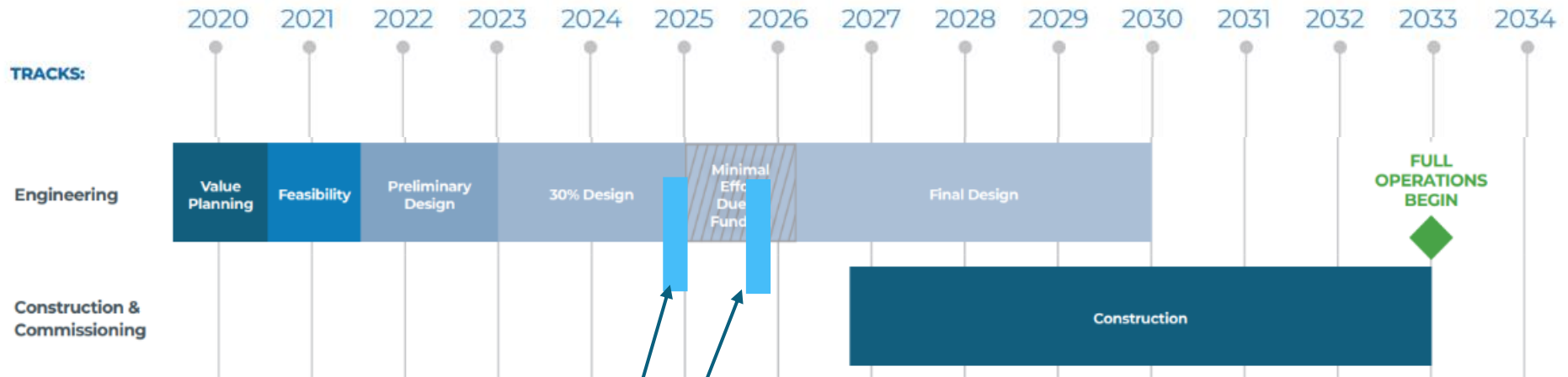
Where Do We Go From Here?

- Goal is to Issue RFQ for Reservoir Package before the end of 2024

	July	August	Sept	October	Nov	Dec
Issues identification and discussions						
Revise procurement policy						
Draft CMAR contract						
RFQ procurement documents						
Board authorization						

Refresher: Timing of Reservoir CMAR RFQ/RFP?

Sites Reservoir Project Schedule

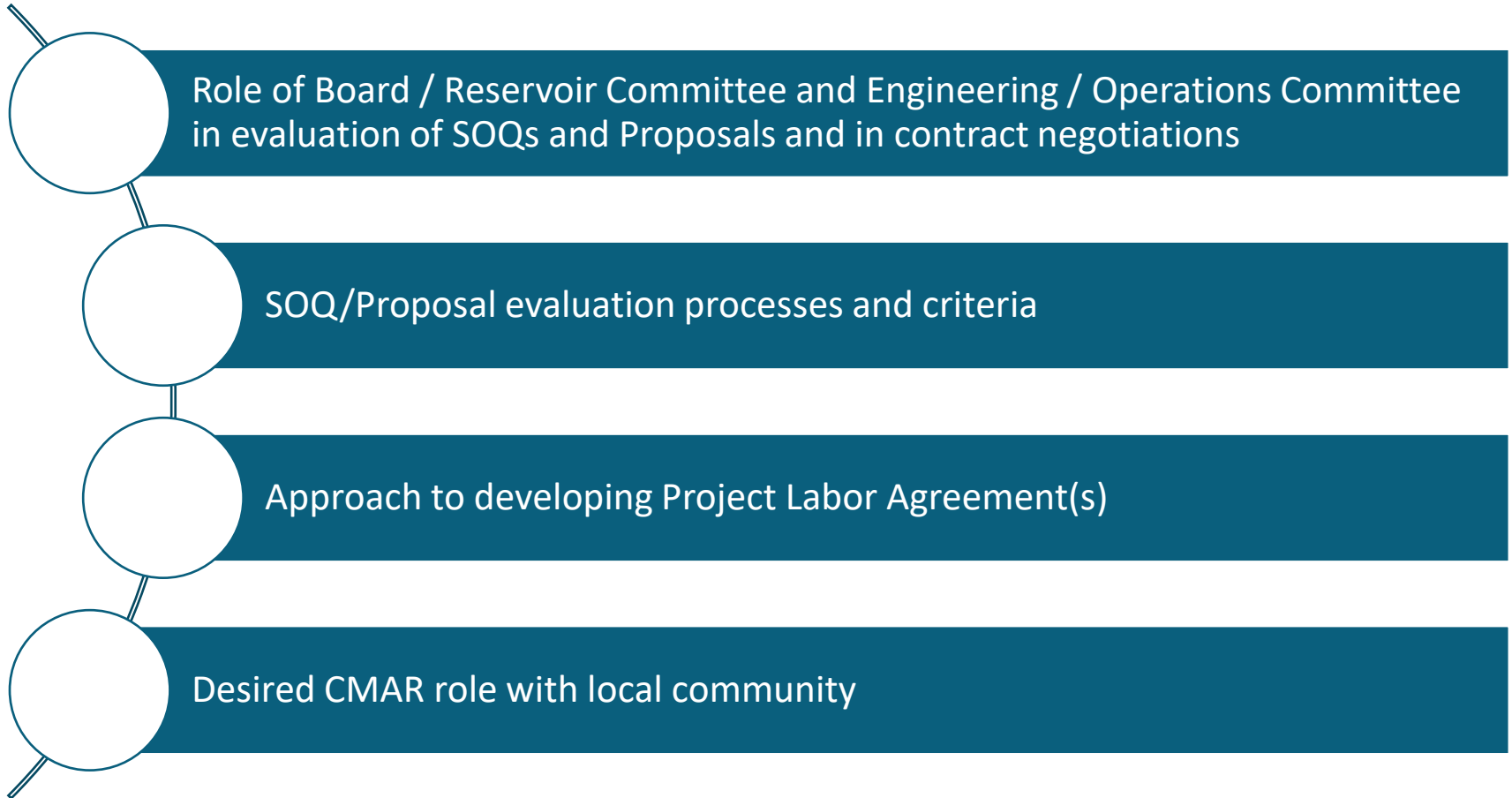


Issue Reservoir
CMAR RFQ Fall of 2024

Award Reservoir
CMAR Fall of 2025

- CMAR Contractor to assist with Cost Certainty and provide input on 30% design prior to kick-off of Final Design

Checklist to Issuance of RFQ



Checklist to Issuance of RFQ



Approach to self-performance and subcontracting

Approach to required insurance and contract security

Further scope definition and refinements (in consultation with AECOM and Jacobs)

Questions?

