

Reservoir CMAR Procurement Policy Guidance

The Reservoir Committee and Board directs the Executive Director to proceed with completing and issuing the Reservoir Package RFQ and draft CMAR Contract consistent with the following guidance:

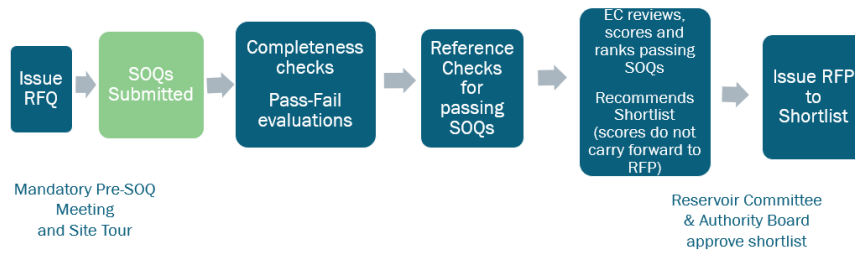
- 1) The selection process for the Reservoir Package CMAR should materially conform to the two-step process in Attachment A.
- 2) RFQ Evaluation criteria should include both non-scored (i.e., pass-fail) criteria to assure the selected CMAR meets minimum requirements needed to protect the Authority's interests and scored criteria covering topics to help reflect the Board's values. RFQ Scored criteria related to large, earthen dam construction experience and CMAR experience should be most heavily weighted.
- 3) The Executive Director should appoint an Evaluation Committee (EC) to evaluate submitted SOQs and Proposals. EC members should be committed to participate for the duration of the procurement process and should include Authority's Agents (staff) and staff from up to two Participants. The Board and Reservoir Committee should provide oversight and approval of certain decisions as illustrated in Attachment A. Consultants may serve as advisors to the EC.
- 4) The Board and Reservoir Committee should take a two-pronged approach to addressing the Board-adopted Local Community Working Group recommendations in all of its CMAR and DB procurements: 1) During procurement, the recommendations should be used to understand relevant experience, solicit ideas from CMAR Proposers on their approach, and to consider those ideas as part of the evaluation process; and 2) The selected CMAR's approach, including Local Community Working Group commitments and recommendations would then be incorporated into the Reservoir Package Contract Documents for implementation.
- 5) As reflected in the Construction Workforce Policy (to be adopted prior to issuance of the RFP), the Board is intending to adopt aspirational goals that 20% of overall Sites Project construction work should be conducted by Project Area (Yolo, Glenn, and Colusa County) workforce (contractors, subcontractors and / work force) and 50% should be conducted by Local Area (Project Area, plus Butte, Placer, Sacramento, Shasta, Sutter, and Tehama County) workforce. Consistent with this overall goal, the Executive Director may establish separate goals for each construction package based on the nature of the work, workforce capabilities, and business availability. The amount of Project Area workforce being used on the Sites Project should be monitored, and if, after implementation of training, outreach, and other efforts, the Project Area workforce goal is not being met, the Board may modify the goals or take other actions as it deems appropriate.
- 6) The Board has reviewed the attached Construction Workforce Policy (to be adopted) related to project workforce that will be used to guide development of Project Labor Agreements (PLAs) for each construction package. Negotiation of PLAs, consistent with the Board's Construction Workforce Policy, will be the responsibility of the selected package contractors.

- 7) Insurance markets are currently in a state of flux especially for builder's risk due to recent wildfire and flood claims experience. Given the time until actual construction activities will begin (18months to 2 years), the Executive Director should use the CMAR procurement process to solicit ideas for insuring Sites construction from CMAR proposers while also obtaining information on the likely types and limits of insurance the CMAR Proposers would be able to obtain. Specifically, use of CCIP arrangements should be explored. Project specific insurance requirements, at the latest, would need to be finalized as part of the initial GMP package.
- 8) The Board has adopted the following approach to self-performance and subcontracting, which is intended to maximize the flexibility provided to CMAR proposers in order to maximize value to the Board while focusing on selection of a Reservoir CMAR contractor with appropriate expertise in earthen dam construction. This will be accomplished by requiring: 1) the prime CMAR contractor self-perform work for the Sites and Golden Gate Dams; 2) the prime CMAR contractor or a proposed Key Subcontractor, a contractor that is identified in the SOQ and will be considered in the evaluation of qualifications, act as the lead for work related to environmental compliance management and public outreach; 3) that a CMAR proposer identify, in their SOQ, the work it wishes to self perform or have performed by a Select Subcontractor. In addition, the Board sets the following limitations on the amount of cumulative amount of work that can be self performed or performed by a Reservoir package Key Subcontractor: 40% minimum; 80% maximum. An independent cost estimator (ICE) will be used to verify the reasonableness of pricing for work that is self-performed either by the prime CMAR or a Key Subcontractor.
- 9) While the Board finds no need to modify the scope of facilities included in the Reservoir Package at this time, the CMAR Contract should include provisions authorizing the Executive Director, consistent with the Delegation of Authority matrix, to make adjustments in scope at the interfaces between the construction packages if the Executive Director determines it is in the best interest of the Authority to do so.

Attachment A. Procurement Process Overview

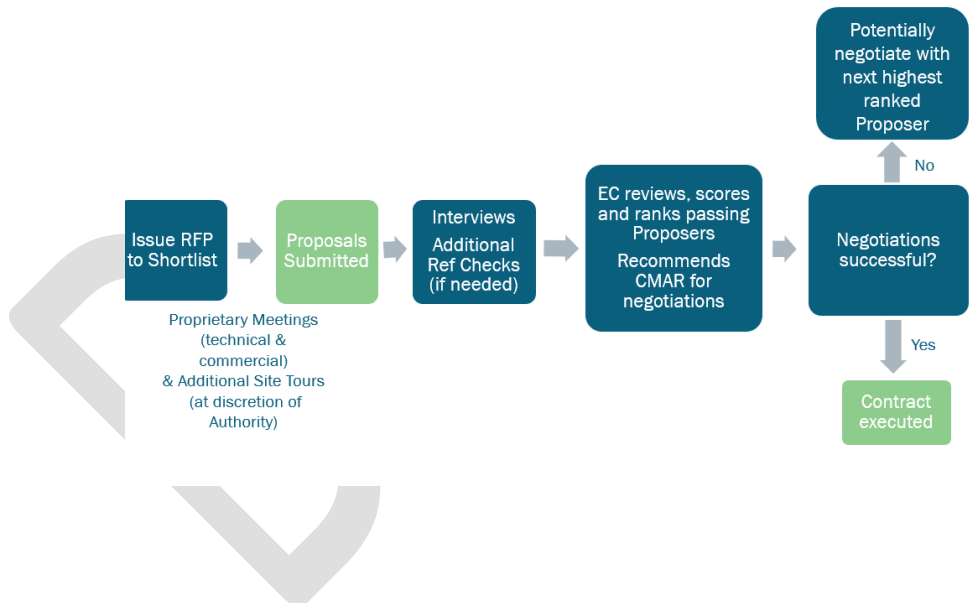
### Procurement Process Overview


EC = evaluation committee  
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### Procurement Process Overview

EC = evaluation committee  
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	DOCUMENT TYPE	Policy
	DOCUMENT NO.	TBD
	ADOPTED	TBD
	LAST UPDATED	n/a

**DRAFT SITES PROJECT AUTHORITY  
CONSTRUCTION WORKFORCE POLICY**

**1. Purpose:**

Sites Project Authority (“Sites Authority”) establishes this Construction Workforce Policy (“Policy”) as a means to communicate its intention to implement project labor agreements (“PLAs”) on certain construction projects using alternative project delivery methods (“Alternative Projects”) to construct the Project, as defined below. Sites Authority acknowledges the history, working relationships, and shared interests of Sites Authority, the local community, the contracting community, and labor, and seeks in this Policy to bring together overlapping workforce interests to facilitate the implementation and completion of a successful Project.

The Sites Authority expects to receive feedback on this Policy through the procurement of construction services and recognizes that such feedback may lead to future revisions which must be adopted by Sites Authority to be in effect.

Assembly Bill (“AB”) 2551, codified in Public Contract Code section 20928 *et seq.*, allows Sites Authority to engage in Alternative Projects to construct individual projects and requires that either the selected contracting entity, including its subcontractors, utilize a skilled and trained workforce to perform work on the project or implements a PLA. Sites Authority desires to implement a PLA on Alternative Projects and has developed this Policy to provide guidelines to the selected contracting entities on the parameters and values to be included in each PLA.

**2. Definitions:**

**Alternative Projects:** Alternative project delivery methods listed in Public Contract Code section 20928.1 including: construction manager at-risk; design-Build, including conventional, progressive, and target price; and design-build operate.

**Local Area:** Project Area plus Butte, Placer, Sacramento, Shasta, Sutter, and Tehama counties

**Project Area:** Colusa, Glenn, and Yolo counties.

**Project Labor Agreement (or “PLA”):** A pre-hire collective bargaining agreement that establishes terms and conditions of employment for a specific construction project or projects and is an agreement described in Section 158(f) of Title 29 of the United States Code. (See Public Contract Code, § 2500(b)(1).)

**Sites Project Authority (or “Sites Authority”):** The Sites Project Authority, an independent joint powers authority established pursuant to the Joint Exercise of Powers Agreement to exercise powers common to the Sites Authority members to, among other things, effectively study, promote, develop, design, finance, acquire, construct, manage, and operate Sites Reservoir and related facilities such as recreation and power generation.

**Sites Reservoir Project (or “Project”):** The entire physical infrastructure and capital improvements to be designed, constructed, commissioned, and completed by the Sites Authority. The Project will be procured through numerous separate contracting vehicles, potentially including traditional design/bid/build and Alternative Projects.

**3. Policy:**

**a. Alternative Project-Specific Project Labor Agreements.**

California Public Contract Code section 2500 et seq., governs Sites Authority’s use of a PLA. In compliance with statutory authority, Sites Authority finds that the selected contracting entity for each Alternative Project will be in the best position to manage the risk of staffing labor on specific projects and complying with all labor requirements. Alternative Project-specific PLAs permit the focus of each PLA to include trades applicable to the scope of work and the means and methods of the selected contracting entity. This will help engage involved construction trades, control costs and avoid schedule delays, resulting in successful projects.

Accordingly, Sites Authority shall contractually require each selected contracting entity to negotiate and execute a PLA on each Alternative Project which must meet the minimum requirements specified in this Policy.

**b. Key Terms to be Addressed in Every Project Labor Agreement.**

The Sites Authority has determined that the following are key terms and items that shall be incorporated by the selected contracting entity into each PLA as a minimum.

(i) Public Contract Code Section 2500.

Pursuant to Public Contract Code section 2500, the PLA must include, at a minimum, all of the following taxpayer protections:

- Prohibition on discrimination based on race, national origin, religion, sex, sexual orientation, political affiliation, or membership in a labor organization in hiring and dispatching workers for the project.
- Permission for all qualified contractors and subcontractors to bid for and be awarded work on the project without regard to whether they are otherwise parties to collective bargaining agreements (i.e., whether they are union or non-union).

- Agreed-upon protocol concerning drug testing for workers who will be employed on the project.
- Guarantees against work stoppages, strikes, lockouts, and similar disruptions of the project.
- Requirement that disputes arising from the PLA shall be resolved by a neutral arbitrator.

(ii) Project Area and Local Area Workers.

(1) Training.

A provision encouraging and ensuring employment opportunities for Local Area residents and enable effective construction career pathways. This could include developing, implementing, and administering a construction careers pipeline program to maximize construction career opportunities and provide a path to employment for Local residents. This could also require, among other things, priority for union hall referral of Local residents, identifying and training Local residents interested in entering the construction industry, holding community job fairs, establishing work force development programs, and employing of Local residents as apprentices.

(2) Hiring.

A provision establishing goals for the hiring, training, and retention of Local Area workers and requiring that these Local workers are dispatched from union halls before any other workers. The PLA shall include the following two goals: (1) At least 20% of the total work hours on the project covered by the PLA shall be performed by workers residing in the Project Area; and (2) At least 50% of the total work hours on the project covered by the PLA shall be performed by workers residing in the Local Area.

(3) Apprenticeships.

A provision requiring the use apprentices on the projects as allowed and required by the Labor Code, with measured goals to facilitate, encourage, and assist Local Area workers and transitional workers in enrolling in and progressing through apprenticeship programs in the construction industry.

(4) Other.

Any other provisions that Sites Authority identifies on a project by project basis that when included in a PLA would promote Local Area workforce development.

(iii) Sufficient Workforce.

A provision requiring construction trades signatory to the PLA to use their best efforts to maintain sufficient numbers of skilled craft workers to fulfil the labor requirements of the selected contracting entity on the project.

(iv) Wages.

A provision incorporating union master agreements into the PLA and applying any applicable terms to the covered work, including, among other things, wages scales and fringe benefit rates for the covered work in compliance with current prevailing wage laws and determinations.

(v) Veterans.

A provision to facilitate the inclusion of veterans and service members who are interested in careers in the building and construction industry into the construction trades by participating in “Helmets to Hardhats”.

(vi) Management Rights.

A definition of the general working conditions of the employees (safety, working hours, etc.) along with management rights to exercise full and exclusive authority and responsibility for the management and operation of its operations and work forces including, but not limited to, requiring all workers to observe and abide by local laws and regulations.

(vii) Area Contractors.

A provision that excludes specific work or work packages from a PLA that can be provided by Local Area contractors. This would include both work that generally is covered by a PLA, but could be provided by Local contractors, such as trucking, and work outside the jurisdiction of covered work in the PLA, such as porta potty rental, delivery, and maintenance, ranch fencing and gates, and other similar work.

(viii) Disputes.

- Dispute resolution procedures for the settlement of grievances and disputes by parties on the projects. This includes liquidated damages for works stoppages or other disruptions.
- A mechanism to settle jurisdictional disputes between construction trades without work stoppages.

(ix) Subcontractors.

A provision requiring subcontractors on the projects to accept and be bound by the PLA.

(x) Enforcement Provision.

A provision providing Sites Authority the rights of a third-party beneficiary to each project specific PLA, including, but not limited to, the right to terminate the PLA.

(xi) Federal and State Funding.

Depending on final funding contract terms and conditions, if State or Federal funds are used for a specific project, the PLA shall comply with applicable federal and state funding requirements, including, but not limited to, 2 CFR §200.321 and contracting with small businesses, minority businesses, women's business enterprises, and veteran-owned businesses.

**4. Implementing this Policy.:**

Sites Authority authorizes the Executive Director, or designee, to take all necessary steps to implement this Policy. This includes, but is not limited to, the following:

- Requiring all potential contracting entities to provide their strategy for implementation of this Policy during the procurement process that will be considered as part of the Sites Authority's evaluation process as further described in specific Requests for Qualifications and Requests for Proposals.
- Contractually requiring the selected contracting entity to include the applicable Key Terms and its proposed strategy into each PLA.
- Implementing a tracking and reporting system to evaluate contractor performance meeting the requirements of this Policy.

Nothing herein shall be intended to supersede the terms of the contract between Sites Authority and the selected contracting entity to construct Alternative Projects.