



Meeting: **Reservoir Committee & Authority Board  
Agenda Item 2.2**

**October 17, 2025**

Subject: **Terrestrial Biological Compensatory Mitigation Request for Qualifications  
(RFQ)**

---

**Requested Action:**

Reservoir Committee and Authority Board consider authorizing the Executive Director to proceed with procuring a Terrestrial Biological Compensatory Mitigation Contractor through the issuance of a Request for Qualifications.

**Detailed Description/Background:**

As the Authority prepares for Project construction, staff are preparing to implement the mitigation measures in the Project's Final Environmental Impact Report/Environmental Impact Study and key permits. The Project's largest construction mitigation cost is expected to be compensatory mitigation for terrestrial biological resources, mostly related to construction of Project facilities and inundating the Sites Valley. Implementing compensatory terrestrial biological mitigation needs to be coordinated with construction to comply with permit conditions. Based on Board and industry feedback, a terrestrial biological mitigation contracting process is now ready to proceed with the goal of ensuring mitigation is in place with sufficient time to avoid construction delays.

Over the last several months staff have been working on developing the procurement documents for the Terrestrial Biological Compensatory Mitigation Contract in conjunction with developing guidelines and procedures for policy questions established by the Authority Board and Reservoir Committee at its May 2025 meeting. This work has been coordinated through the Environmental Planning and Permitting (EPP) Workgroup and the Terrestrial Biological Compensatory Mitigation Contract Ad Hoc Sub-Workgroup. In working with the Terrestrial Biological Compensatory Mitigation Contract Ad Hoc Sub-Workgroup, staff have completed the preparation checklist with a recommendation of issuing the RFQ from the EPP Workgroup. The completed checklist is provided as Attachment A.

Staff is working to complete the RFQ, associated attachments, including the draft Terrestrial Biological Compensatory Mitigation Contract. The current anticipated procurement schedule is as follows:

1. Board Authorization to Initiate Procurement – Oct 17, 2025

2. Issue RFQ – Nov 18, 2025
3. SOQs Due – Jan 16, 2026
4. Issue RFP to Shortlist – February 2026
5. Proposals Due – April 2026
6. Proposal Review and Interviews – May 2026
7. Board and Reservoir Committee award Terrestrial Biological Compensatory Mitigation Contract – June 2026; Begin efforts on first planning task order
8. Negotiations of First Mitigation Task Order – Sept 2026 (award to occur immediately following initiation of Phase 3)

The total value of the Terrestrial Biological Compensatory Mitigation Contract is estimated to be up to \$650 million. The initial contracted work will involve planning and pre-construction services to be performed under the Terrestrial Biological Compensatory Mitigation Contract (similar to the approach being taken on the CMAR Reservoir/Roads) to collectively establish such components as mitigation location preferences, communications protocols, and similar that will form the basis of the subsequent mitigation Task Orders.

**Prior Authority Board Action:**

March & September 2025: Reviewed and commented on the continued development of components of the contracting strategy for terrestrial biological compensatory mitigation.

May 2025: Reviewed and commented on the Biological Terrestrial Mitigation Contractor Procurement checklist of items to be completed before issuing the Request for Qualifications.

**Fiscal Impact/Funding Source:**

Completion of the RFQ, associated attachments, including the draft Terrestrial Biological Compensatory Mitigation Contract can be completed within the 2025 Approved Budget. Pre-construction services have been budgeted for in the proposed 2026 Authority budget.

**Staff Contact:** Ali Forsythe

**Primary Service Provider:** Cox Castle

**Attachments:**

Attachment A – Terrestrial Biological Compensatory Mitigation Contract  
Procurement Policy Guidance

**Attachment A**  
**Terrestrial Biological Compensatory Mitigation Contract**  
**Procurement Policy Guidance (Checklist)**

Following is the preparation checklist including the policy questions where Staff proposed to seek concurrence from the EPP Workgroup and example areas of potential impacts from these decisions. The following also includes a summary of how each item has been or will be addressed in the RFQ.

Checklist Item	How Item Has or Will be Addressed
<ul style="list-style-type: none"> <li>• Defining mitigation contract terms that properly assign implementation risks and performance guarantees. <ul style="list-style-type: none"> <li>➤ Policy Question: How to structure the contract to receive the best value for the Authority while: (1) addressing the uncertainty of possible changes in mitigation needs as design and construction progresses; (2) establishing early cost certainty for the Authority; (3) considering implementation risk related to interaction of the mitigation activity with the construction progress activity, e.g. identifying the mitigation contractor responsibilities for financial assurances in the event that mitigation is not approved prior to construction actions; (4) proper assignment of performance risk and identification of performance guarantees, bonding and insurance; (5) addressing mitigation contractor responsibility for obtaining permits and undertaking environmental review specific to implementing compensatory terrestrial mitigation activities; and (6) preserving the Authority’s ability to provide substantive</li> </ul> </li> </ul>	<p>(1) Addressing the uncertainty of possible changes</p> <ul style="list-style-type: none"> <li>– The current plan is a three Mitigation Task Order structure (in addition to one planning Task Order) with the last task order issued later in the project and used to “true up” final numbers. The first task order likely overlays with the Near Term Priority Land Actions discussed in Agenda Item 3.2 of Sept 19, 2025.</li> <li>– Minimum units to be purchased in each task order will be specified to result in balance of incentive vs risk.</li> <li>– Although the Mitigation Contract will have an overall GMP, it will be based on a menu pricing structure – with different unit costs for different types of mitigation and different delivery types. The menu pricing structure will allow adjustments as mitigation types and delivery approaches change. In addition, the menu structure allows the Authority to anticipate and plan for costs of adjustments.</li> </ul>

Checklist Item	How Item Has or Will be Addressed
<p>input on the required mitigation endowments, including who holds the endowments and how they are secured and funded by the mitigation contractor.</p> <p>➤ Impacts: Draft Mitigation Contract – general conditions and special conditions. Risk register for mitigation.</p>	<p>(2) Establishing early cost certainty for the Authority</p> <ul style="list-style-type: none"> <li>– An overall contract GMP will be established at the contract negotiation time. This will establish early maximum cost for the Authority. In addition, the menu pricing structure, also established at the contract phase, will allow the Authority and the Contractor to anticipate costs as acreage of mitigation types needed is firmed up.</li> </ul> <p>(3) Considering implementation risk</p> <ul style="list-style-type: none"> <li>– Mitigation contractor will be responsible for financial securities, if needed.</li> </ul> <p>(4) Proper assignment of performance risk and identification of performance guarantees, bonding and insurance</p> <ul style="list-style-type: none"> <li>– Bonding at the Task Order level will stimulate competition while continuing to protect the Authority.</li> </ul> <p>(5) Addressing mitigation contractor responsibility for obtaining permits and undertaking environmental review</p> <ul style="list-style-type: none"> <li>– Responsibility of contractor but Authority approves. This ensures that the contractor is responsible and planning for all activities necessary for successful implementation.</li> </ul> <p>(6) Preserving the Authority’s ability to provide substantive input on the required mitigation endowments</p> <ul style="list-style-type: none"> <li>– Will be addressed at contract negotiation.</li> </ul>

Checklist Item	How Item Has or Will be Addressed
<ul style="list-style-type: none"> <li>• Ensuring cost effective delivery of mitigation that incorporates the critical stacking assumptions and assignment of long-term permit requirements <ul style="list-style-type: none"> <li>➤ Policy Question: How will the structure of the mitigation contract ensure the Authority is getting competitive pricing and at what point will payment be made? Identify the approach and process being taken to secure pricing and stay ahead of the construction activity. Also how to address the appropriate risk allocation for long term mitigation success and compliance with permit terms.</li> <li>➤ Impacts: Contractual payment structure and quality assurance approach through updates of the Mitigation Strategy, permit compliance - when will the units be considered delivered relative to the extended duration associated with the permit compliance cycle.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Competitive pricing and certainty of delivery <ul style="list-style-type: none"> <li>– Competition, in part, based on pricing of both the GMP and menu pricing structure at RFP stage of selection based on the mitigation needs of the Project anticipated at that time.</li> <li>– Remove barriers to competition to the extent possible through outreach to industry to thoughtfully formulate contract terms and selection process, along with providing early notice of contract terms and selection process so firms can prepare to compete.</li> </ul> </li> <li>• At what point will payment be made <ul style="list-style-type: none"> <li>– Progress payments upon completion of 1) permit compliant assets or 2) work products that the Authority “owns” or “controls” if contract is terminated</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Application of any locational preferences or other Authority implementation preferences <ul style="list-style-type: none"> <li>➤ Policy Question: What are implications on land use within Project Area and Local Area from the land developed for Sites mitigation? How involved does the Authority feel it needs to be in the long-term implementation of the mitigations for continued permit compliance and brand maintenance? What is desired breakdown of permittee</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Contract terms will require the contractor to work with a number of parties to ensure successful mitigation implementation, including among others, the local counties and the Local Community Working Group.</li> <li>• Specificity in the contract on where exactly mitigation will be located and achieved (i.e., through easement or fee title) will constrain the contract unnecessarily. Instead, the initial contracted work will involve preconstruction services to collaboratively develop goals and</li> </ul>

Checklist Item	How Item Has or Will be Addressed
<p>developed level of mitigation vs mitigation bank credit purchases.</p> <ul style="list-style-type: none"> <li>➤ Impacts: Sites effect on local economy, Phase 3/4/5 Authority organization and staffing.</li> </ul>	<p>approaches that will serve to guide the subsequent mitigation delivery.</p> <ul style="list-style-type: none"> <li>• Establish Strategic Approach as part of the first Planning Task Order for Mitigation Contractor <ul style="list-style-type: none"> <li>– Define locality preferences in light of permit requirements</li> <li>– Define easement and fee title acquisition preferences</li> <li>– Define preferences for continued existing land uses - typically cattle grazing and open space, and public access</li> <li>– Define communication processes and procedures with counties, Local Community Working Group, and Tribal Government Working Group</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• RFQ/RFP selection criteria. <ul style="list-style-type: none"> <li>➤ Policy Question: Which technical and managerial considerations should be considered most important to the Authority when establishing evaluation criteria and weights?</li> <li>➤ Impacts: RFQ, selection of evaluation committee members, contract negotiation, delegation of authority.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Mix of Pass/Fail and weighted criteria generally following Reservoir and Roads CMAR approach.</li> <li>• Evaluation Committee will include a mix of Staff, and Field Experts from outside and Participant organizations similar to the approach used for the CMAR.</li> </ul>