



NWP NACIMIENTO WATER PROJECT

San Luis Obispo County Flood Control & Water Conservation District

WORKSHOP NO. 2 - CONTRACTOR ISSUES

January 11, 2007

www.slocounty.ca.gov/pw/nacwp.htm

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Our Mission Today Is to Discuss Issues of Importance to the Contracting Community for the NWP

➤ Agenda

- Workshop Introduction & Outreach Status
- Project Overview
- Discussion of Key Issues Raised in Wkshop No. 1
- Follow-up Survey
- Q&A Session



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Key Contractor Outreach Program Objectives

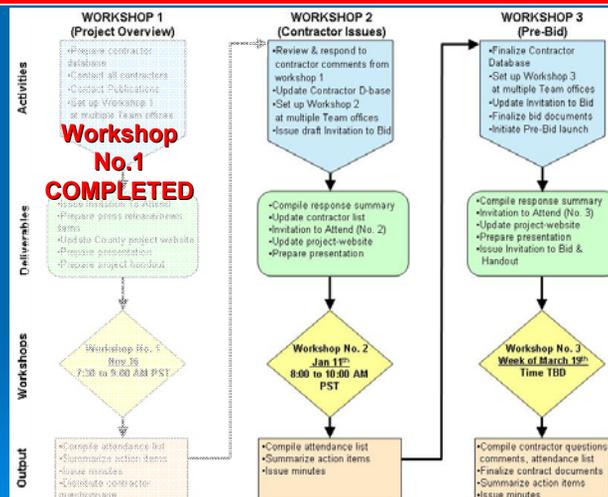
- **Inform** Contractors and Suppliers About the Nacimiento Water Project Construction
- **Listen** to Comments and Ideas From Interested Contractors & Suppliers
- **Incorporate** Changes and Finalize Project Documents To Maximize Project Interest

The District Wants to Create A Win – Win Contracting Approach!



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We Are Half Way Through Our Outreach Program



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The Project is Proceeding with Consistent Support

- Support has remained consistent from Participants & elected officials
- Permit acquisition is steadily progressing
- Revenue Bond financing is advancing



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Workshop No. 1 Provided an Introduction to the Project

- Outlined Key Project Features
- Addressed Initial Contractor Questions
- Generated Follow-up Data
 - Feedback Questionnaire
 - Attendance List
 - Workshop No. 1 Minutes



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The Nacimiento Project Will Deliver 15,750 AFY to Five Project Participants

Project Participants

- Paso Robles = 4,000 AFY
- Templeton CSD = 250 AFY
- Atascadero MWC = 2,000 AFY
- SLO City = 3,380 AFY
- CSA 10A = 25 AFY



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The Project Has Several Challenging Components

Major Project Components:

- Hot-tap Lake Nacimiento
- Intake and pump station on Lake Nacimiento
- 45 miles of transmission pipeline (36 to 12-inch pipe)
- Three steel storage tanks
- Two intermediate booster pump stations
- SCADA and Project control system



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The Work Is Divided Into Five Contract Packages



Spec 1 - Lake Nacimiento Intake Underground & Underwater Work

Spec 2 - Pump Stations, Tanks, and SCADA

Spec 3 - Pipeline (North Section)

Spec 4 - Pipeline (Central Section)

Spec 5 - Pipeline (South Section)



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Bid Period

➤ Key Dates

Spec 1: Nacimiento Lake Intake Underground Work

- Bid: Late March 2007 Open: Mid May 2007

Spec 2: Pump Stations, Tanks & SCADA

- Bid: Mid May 2007 Open: Early July 2007

Spec 3: Pipeline Section 1 - North

- Bid: Late April 2007 Open: Early June 2007

Spec 4: Pipeline Section 2 - Central

- Bid: Late April 2007 Open: Mid June 2007

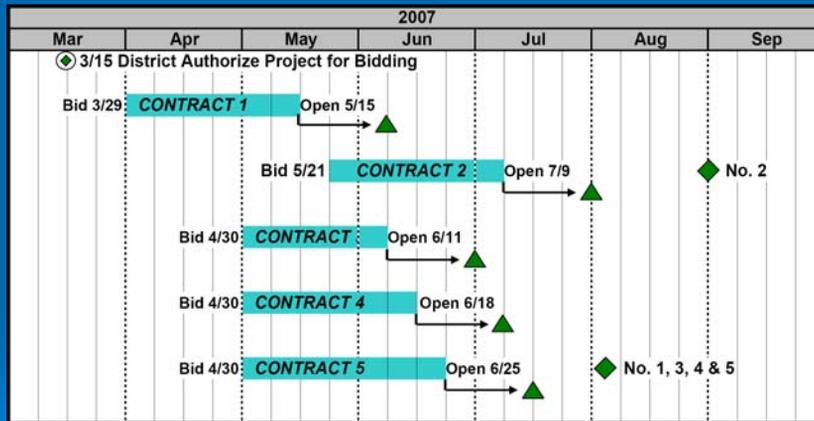
Spec 5: Pipeline Section 3 - South

- Bid: Late April 2007 Open: Late June 2007



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Bid Schedule



◆ - Notice to Proceed
▲ - Notice of Award



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Specs 1 and 2 Cover Intake and Facilities Construction From Oct 07 to Jun 10

- **Spec 1: Nacimiento Lake Intake Underground Work**
 - Intake shaft/pump wetwell (approx. 20ft dia.), microtunneled intake line (approx. 72in dia.), and underwater multi-port sloping intake with screens.
 - *Est. construction value: \$14-18M*
 - Construction Begins: Mid Oct 2007
 - Completion: Early Oct 2008
- **Spec 2: Pump Stations, Tanks & SCADA**
 - Intake pump station (IPS) with five 700 horsepower (hp) vertical pumps, building and all appurtenances; 2 intermediate pump stations, project SCADA system, three welded steel storage tanks; Camp Roberts Tank and Rocky Canyon Tank, each 850,000 gals, and Cuesta Tunnel Tank, 300,000 gals.
 - *Est. construction value: \$35-38M*
 - Construction Begins: Mid Oct 2007
 - Completion: Early June 2010



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Specs 3, 4 and 5 Cover Pipeline Construction Oct 07 thru Jun 10

- **Spec 3: Pipeline Section 1 - North**
 - 23 miles of 36 and 30-in. dia. pipe from the Lake Nacimiento Intake to the Paso Robles Turnout. *Est. construction value: \$46-50M*
 - Construction Begins: Mid October 2007
 - Completion: Late September 2009
- **Spec 4: Pipeline Section 2 - Central**
 - 10 miles of 24 and 18-in. dia. pipe from the Paso Robles Turnout to the Rocky Canyon Site. *Est. construction value: \$18-22M*
 - Construction Begins: Mid October 2007
 - Completion: Late April 2009
- **Spec 5: Pipeline Section 3 - South**
 - 12 miles of 18 and 12-in. dia. pipe from the Rocky Canyon Site to the San Luis Obispo Turnout. *Est. construction value: \$20-24M*
 - Construction Begins: Mid October 2007
 - Completion: Late July 2009



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Quality Feedback Was Received From Workshop No. 1

- **15 Questionnaires received**
 - Compiled a list of ~ 50 issues/items
 - Narrowed scope to 18 key issues/items
 - Results in Questionnaire response summary handout
- **Minutes produced**



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18 Key Contract Issues Were Raised During the First Workshop

- **Contract language represents a “snapshot”**
 - Intended to give an idea of what to expect
 - Terms may be changed as they are finalized
- | | |
|------------------------------|-------------------------------|
| 1. Pre-Qualification | 10. Disputes Review Board |
| 2. Geotechnical | 11. Value Engineering |
| 3. Escrow Bid Docs | 12. Incentives |
| 4. Bid Schedule/Alternatives | 13. Liquidated Damages |
| 5. Tree Bounty | 14. Indemnification |
| 6. Payment for Materials | 15. Insurance Program (OCIP) |
| 7. Mobilization Payments | 16. Partnering |
| 8. Environmental Mitigation | 17. Materials Cost Escalation |
| 9. Reduction of Retention | 18. Hazardous Materials |



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1. Pre-Qualification

- **Based on CA Dept of Industrial Relations standard**
- **Pre- Qual Questionnaire and Experience Scoring**
 - CA Dept of Industrial Relations scoring criteria
 - Emphasis on experience with projects similar to NWP.
 - Prime effort weighted more than managed effort (intake)
- **Advertisement begins January 24, 2007**
- **SOQ due February 13th**
- **Pre-Qual Packet will be available at:**
 - <http://www.slocounty.ca.gov/GS/Purchasing/>
 - Click on “Current Formal Bids and Proposals”



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1. Pre-Qualification

- **Contract 1: Lake Intake Underground Work**
 - General contractors will be pre-qualified by the District
 - January 24, 2007
 - Pertinent project information available online

- **Contract 3, 4 & 5 : North and Central Pipeline Sections**
 - HDD sub-contractors will be pre-qualified by the District
 - January 24, 2007
 - Pertinent project information available online



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2. Geotechnical

➤ Geotechnical Baseline Report for Spec 1

ARTICLE 4.2 – SUBSURFACE AND PHYSICAL CONDITIONS

"...The CONTRACTOR may rely upon the accuracy of the technical data contained in such reports, and upon the DESIGNER'S interpretation of baseline geotechnical conditions presented in the Geotechnical Baseline Report; however, the interpretation of such technical data, including any interpolation or extrapolation thereof, together with nontechnical data, interpretations, and opinions contained in such reports other than the Geotechnical Baseline Report or the completeness thereof is the responsibility of the CONTRACTOR." (Page 00700-16)



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2. Geotechnical

- **Geotechnical Interpretive Report**
 - **Specs 2,3,4, and 5**

ARTICLE 4.2 – SUBSURFACE AND PHYSICAL CONDITIONS

“...Reference is made to the Supplementary General Conditions for identification of those reports of explorations and tests of subsurface conditions at the site that have been utilized by the DESIGNER in the preparation of the Contract Documents. The CONTRACTOR may rely upon the accuracy of the technical data contained in such reports; however, the interpretation of such technical data, including any interpolation or extrapolation thereof, together with nontechnical data, interpretations, and opinions contained in such reports or the completeness thereof is the responsibility of the CONTRACTOR.” (Page 00700-16)



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3. Escrow Bid Documents

ARTICLE 21 – ESCROW BID DOCUMENTS

*“...The Escrow Bid Documents of the successful BIDDER will be held in escrow for the duration of the contract. The Escrow Bid Documents will be used to assist in the negotiation of price adjustments and change orders and in the settlement of disputes, claims and other controversies. They will not be used for pre-award evaluation of the CONTRACTOR’S anticipated methods of construction or to assess the CONTRACTOR’S qualifications for performing the WORK.”
(Page 00100-10)*



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4. Bid Alternatives for materials and pipe diameters

- Alternative bid materials
 - DIP/SP
- Alternative bid sizes
 - Standard Bid size 30, 36, 30, 24, 18, 12
 - Alternative Bid sizes 36,36,36, 30, 24, 18
(6-inches above standard bid size)



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4. Bid Alternatives for materials and pipe diameters (example bid form)

Bid Form – Alternative 1 Contract No. 3, Conveyance Pipeline Station 0+00 To 1197+00					
Bid Item	Description	Pipeline Station	Pipe Type ⁽¹⁾	Diameter, inches	Base Bid Amount
1	Construction of Unit A as shown on the drawings and specified	0+00 to 88+25	(DIP) / (SP)	30	\$ _____
2	Construction of the HDD of Unit A1 at the Naciminto River Crossing as shown on the drawings and specified	99+05 to 114+65	(SP)	30	\$ _____
3	Construction of all other portions of Unit A1 as shown on the drawings and specified, except those covered in Bid Item No. 2	88+25 to 526+51	(DIP) / (SP)	30	\$ _____
4	Construction of Unit C as shown on the drawings and specified	526+51 to 787+00	(DIP) / (SP)	36	\$ _____
5	Construction of the HDD of Unit C1 at the Naciminto River Crossing as shown on the drawings and specified	902+00 to 991+60	(SP)	30	\$ _____
6	Construction of all other portions of Unit C1 as shown on the drawings and specified, except those covered in Bid Item No. 5	787+00 to 1217+37	(DIP) / (SP)	30	\$ _____
Total Lump Sum Base Bid Amount (in words)		_____ dollars			\$ _____



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5. Tree Bounty

- A “tree bounty” is compensation for preservation of selected trees
- Contract language being developed
- Trees eligible for bounty will be indicated on the drawings
- Bounty value has not yet been set



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6. Payment for Materials Delivered to Jobsite

ARTICLE 14.3 APPLICATION FOR PROGRESS PAYMENT

"B. The Application for Payment shall identify, as a subtotal, the amount of the CONTRACTOR total earnings to date; plus the value of materials stored at the site which have not yet been incorporated in the WORK; and less a deductive adjustment for materials installed which were not previously incorporated in the WORK, but for which payment was allowed under the provisions for payment for materials stored at the site, but not yet incorporated in the WORK.

C. The net payment due the CONTRACTOR shall be the above-mentioned subtotal from which shall be deducted the amount of retainage specified in the Supplementary General Conditions and the total amount of all previous payments made to the CONTRACTOR."

(Page 00700 - 48)



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7. Mobilization Payments

ARTICLE 6.2 - Bid Item No. 1 - Mobilization

"Bid Item No. 1 is a lump sum bid item, with a stipulated amount of \$XXX,000, that includes obtaining all permits, insurance, bonds and other documents; moving all equipment onto the site and setting up field offices; making utility connections and furnishing and erecting temporary construction facilities; submitting the complete shop drawing schedule and receiving the ENGINEER'S acceptance; and submittal and approval of a finalized CPM Construction Schedule and Schedule of Values per Section 01310, Construction Scheduling, all as required for the proper performance and completion of the WORK.

*The CONTRACTOR'S attention is directed to the condition that no payment for mobilization, or any part thereof, will be approved for payment nor paid for under the Contract until all mobilization items listed above have been completed as specified."
(Section 1025, Page 4)*



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8. Environmental Mitigation

ARTICLE 0161 – ENVIRONMENTAL MONITORING

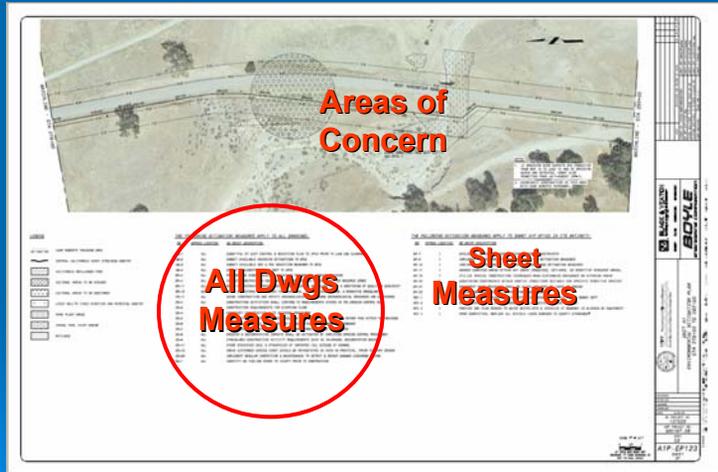
"The DISTRICT will provide and pay for the services of the Environmental Monitors, who shall function as facilitators and record-keepers. They shall also have the authority, if so delegated by the DISTRICT, to halt construction operations for non-compliance with the requirements specified herein. Environmental Monitors are responsible for instructing the CONTRACTOR'S work crews about compliance with biological mitigation measures. Environmental Monitors will also participate in the administration of the environmental training sessions to construction personnel...

*...In addition, the CONTRACTOR shall provide an experienced Environmental Manager/Coordinator (EMC). The Environmental Manager/Coordinator shall oversee all aspects of the CONTRACTOR'S monitoring program, which need to be implemented by persons working in the field."
(Section 01061, pg 3)*



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8. Environmental Mitigation



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8. Environmental Mitigation

THE FOLLOWING MITIGATION MEASURES APPLY TO ALL DRAWINGS:

Example of Dwg Measures

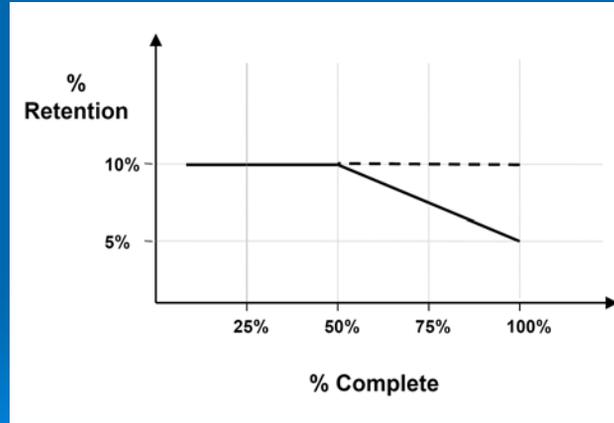
<u>MM</u>	<u>APPROX LOCATION</u>	<u>MM BRIEF DESCRIPTION</u>
AQ-1	ALL	SUBMITTAL OF DUST CONTROL & REDUCTION PLAN TO APCD PRIOR TO LAND USE CLEARANCE
AQ-2	ALL	SUBMIT AVAILABLE EMISSION MITIGATIONS TO APCD
AQ-3	ALL	SUBMIT AVAILABLE NOX & ROC REDUCTION MEASURES TO APCD
AQ-4	ALL	SUBMIT IMPLEMENTATION OF BACT TO APCD
BR-2	ALL	PREPARE AND SUBMIT BIOLOGY EDUCATION PROGRAM AND CONDUCT TRAINING
BR-4	ALL	CONDUCT CONSTRUCTION EQUIPMENT WORK PROCEDURES WITHIN SENSITIVE RESOURCE ZONES
BR-11	ALL	REVEG & RESTORATAL PROCEDURES FOR NEEDLEGRASS GRASSLAND AREAS & MONITORING BY QUALIFIED BIOLOGISTS
BR-12	ALL	REVEG & RESTORAL PROCEDURES FOR CHAPARRAL, CENTRAL COAST SHRUB, & NONNATIVE GRASSLAND
CR-11	ALL	CEASE CONSTRUCTION AND NOTIFY ARCHAEOLOGIST IF UNKNOWN ARCHAEOLOGICAL RESOURCES ARE DISCOVERED

...



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9. Reduction of Retention as Project Progresses



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10. Disputes Review Board (Spec 1)

1. *"A Disputes Review Board will be established to assist in the resolution of Disputes in connection with, or arising out of, performance of the work of this Contract.*
2. *Either the DISTRICT or the CONTRACTOR may refer a Dispute to the DRB. Such referral should be initiated as soon as it appears that the normal DISTRICT - CONTRACTOR dispute resolution effort is not succeeding, and prior to initiating other dispute resolution procedures or filing of litigation by either party.*
3. *Promptly thereafter, the DRB will impartially consider the Dispute(s) referred to it. The DRB will provide a nonbinding written recommendation for resolution of the Dispute to the DISTRICT and the CONTRACTOR.*
4. *Although the recommendations of the DRB should carry great weight for both the DISTRICT and the CONTRACTOR, they are not binding on either party."*
(00800A – 1)



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11. Value Engineering Incentive

- Proposed provision for General Cond.
 - Provision includes procedures for contractor
- Contract language currently being reviewed



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12. Incentives

- Incentives in Contracts 1, 2, & 3 for early completion are being considered
- Value of incentive under consideration



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13. Liquidated Damages

“DISTRICT and the CONTRACTOR recognize that time is of the essence of this Agreement and that the DISTRICT will suffer financial loss if the WORK is not completed within the time specified in Article 2 herein, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. They also recognize the delays, expense, and difficulties involved in proving in a legal proceeding the actual loss suffered by the DISTRICT if the WORK is not completed on time. Accordingly, instead of requiring any such proof, the DISTRICT and the CONTRACTOR agree that as liquidated damages for delay (but not as a penalty) the CONTRACTOR shall pay the DISTRICT in accordance with the following table.” (Page 00500-2)



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14. Indemnification

“To the fullest extent permitted by Laws and Regulations, which shall be in addition to any specific CONTRACTOR indemnification obligations contained elsewhere in the Contract Documents, the CONTRACTOR shall indemnify, defend, and hold harmless the DISTRICT, the ENGINEER, the DESIGNER, and the entities named in the Supplementary General Conditions, their Consultants, Subconsultants, and the officers, directors, employees, and agents of each and any of them, against and from all claims, damages, losses, and expenses (including, but not limited to, fees of engineers, architects, attorneys and other professionals, and court costs, including costs of appeal) arising directly, indirectly or incidentally to the Contract or any performance of the WORK, but not from the sole negligence or willful misconduct of the DISTRICT, the ENGINEER, the DESIGNER and/or the entities named in the Supplementary General Conditions. Such indemnification by the CONTRACTOR shall include, but not limited to, the following:



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14. Indemnification con't

"...1. Liability or claims resulting directly or indirectly from the negligence or carelessness of the CONTRACTOR, Subcontractors and Suppliers, or their employees, or agents in the performance of the WORK, or in guarding or maintaining the same, or from any improper materials, implements, or appliances used in its construction, or by or on account of any act or omission of the CONTRACTOR, Subcontractors and Suppliers, or their employees, or agents;

2. Liability or claims arising directly or indirectly from bodily injury, occupational sickness or disease, or death of the CONTRACTOR'S Subcontractor's, or Supplier's own employees engaged in the WORK resulting in actions brought by or on behalf of such employees against the DISTRICT, the ENGINEER, the DESIGNER and/or the entities named in the Supplementary General Conditions.

3. Liability or claims arising directly or indirectly from or based on the violation of any law, ordinance, regulation, order, or decree, whether by the CONTRACTOR, Subcontractors, Suppliers, or their employees, or agents;

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14. Indemnification con't

4. Liability or claims arising directly or indirectly from the use or manufacture by the CONTRACTOR, Subcontractors, Suppliers, or their employees, or agents in the performance of this Contract of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article, or appliance, unless otherwise specifically stipulated in this Contract;

5. Liability or claims arising directly or indirectly from the breach of any warranties, whether express or implied, made to the DISTRICT or any other parties by the CONTRACTOR, Subcontractors, Suppliers, or their employees, or agents;

6. Liability or claims arising directly or indirectly from the willful misconduct of the CONTRACTOR, Subcontractors, Suppliers, or their employees, or agents; and

7. Liability or claims arising directly or indirectly from any breach of the obligations assumed herein by the CONTRACTOR."
Page (00700-29)"

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15. Insurance Program - OCIP

A Controlled Insurance Program (CIP) is a centralized and coordinated insurance and loss prevention program that provides coverages for job-site construction risk for all participating parties.

- Assures protection of Owner assets
- Higher insurance limits available
- Provides broader seamless coverage
- Increases MBE/WBE participation
- Enhances construction safety
- Improves public relations
- Provides cost savings



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16. Partnering

“26.1 The DISTRICT intends to encourage the foundation of a cohesive partnership with the CONTRACTOR and its subcontractors. This partnership will be structured to draw on the strengths of each organization to identify and achieve reciprocal goals. The objectives are effective and efficient contract performance, intended to achieve completion within budget, on schedule, and in accordance with the Contract Documents.

26.2 To implement this partnership initiative, it is anticipated that within 60 days of the Notice to Proceed, a full-day partnership development seminar and team-building workshop (facilitated by a third party) will be conducted, to be attended by the DISTRICT, CONTRACTOR, key Subcontractors and Suppliers, DESIGNER and ENGINEER. Additional requirements are specified in Section 01200, “Project Meetings.” (Page 100-12)



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17. Materials Cost Escalation

- Not currently in the draft front - end
- Is under consideration



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18. Hazardous Materials

ARTICLE 4.5 – HAZARDOUS MATERIALS

"DISTRICT shall be responsible for any Asbestos, PCBs, Petroleum, Hazardous Waste, or Radioactive Material uncovered or revealed at the site which was not shown or indicated in Drawings or Specifications or identified in the Contract Documents to be within the scope of the WORK and which may present a substantial danger to persons or property exposed thereto in connection with the WORK at the site. DISTRICT will not be responsible for any such material brought to the site by CONTRACTOR, Subcontractor, Supplier, or anyone else for whom CONTRACTOR is responsible..."

"To the fullest extent permitted by laws and regulations, DISTRICT will indemnify and hold harmless CONTRACTOR, Subcontractors, ENGINEER, DESIGNER, and the officers, directors, employees, agents, other consultants, and Subcontractors of each and any of them from and against all claims, costs, losses, and damages arising out of or resulting from such hazardous condition..." (Page 00700 - 19)



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Contractor Survey – We Have to Hear From You to be Successful

NACIMIENTO WATER PROJECT
Contractor Survey

Name (printed) _____
Company Name _____
Project Name _____
Project Location _____

What is your primary business type?
 Civil/Structural Electrical Mechanical Other _____

What is your primary business type?
 New to the area New to the project New to the location New to the contractor

PROJECT FEATURES
Please check all that apply to your project. (You may check more than one.)

New to the area New to the project New to the location New to the contractor

Yes No

NEW QUESTIONNAIRE

1 page



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This Concludes Workshop No.2

- Workshop No. 3
 - Week of March 19, 2007
 - Will focus on pre- bid issues.



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Questions?

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