



Nacimiento Project Commission Notice of Special Meeting and Agenda

Thursday, July 26, 2007 – 4:45 pm
Templeton Community Services District Board Room
420 Crocker Street, Templeton CA

- I. Call to Order, Roll Call, and Flag Salute
- II. Public Comment
This is the opportunity for members of the public to address the Commission on items that are not on the agenda, subject to a three minute time limit.
- III. Meeting Notes from June 28, 2007
(RECOMMEND APPROVAL)
- IV. COMMISSION INFORMATION ITEMS – written reports with brief verbal overview by staff or consultant. No action is required.
 - a. Project Management Report/
Initial Bid Results
- V. PRESENTATIONS – no action required.
 - a. (none scheduled)
- VI. COMMISSION ACTION ITEMS
(No Subsequent Board of Supervisors Action Required)
 - a. (none scheduled)
- VII. COMMISSION ACTION ITEMS
(Board of Supervisors Action is Subsequently Required)
 - a. Builder's Risk Insurance Coverage Options
 - b. Contract Extension with Black & Veatch for Construction Phase Services
 - c. Contract Extension with TJ Cross Engineers for Construction Phase Services
 - d. Jacobs Contract Amendment for Environmental Monitoring Services
- VIII. FUTURE AGENDA ITEMS DESIRED BY COMMISSION

Commissioners

Harry Ovitt, Chair, SLO County
Flood Control & Water
Conservation District

Dave Romero, Vice Chair, City of
San Luis Obispo

David Brooks, Templeton CSD

Grigger Jones, Atascadero MWC

Frank Mecham, City of El Paso
de Robles

**Next Commission meeting scheduled for
Thursday, August 23, 2007, at 4:00 pm at
Templeton Community Services District offices.**

Nacimiento Project Commission
July 26, 2007
Agenda Item III – Meeting Notes from June 28, 2007

I. Call to Order, Roll Call and Flag Salute

Chairman Ovitt convened the meeting at 4:00 pm.

Commissioners Present: Chairman Harry Ovitt, SLO County Flood Control & Water Conservation District
Vice Chairman Dave Romero, City of San Luis Obispo
Frank Mecham, City of el Paso de Robles
David Brooks, Templeton CSD
Grigger Jones, Atascadero MWC

II. Public Comment – (none)

III. Meeting Notes from April 26, 2007, Meeting

Commissioner Brooks moved approval of the April 26, 2007, meeting notes; Commissioner Mecham seconded the motion; motion passed unanimously.

IV. Project Management Report

Under the Project Management Report, John Hollenbeck reported continued delays by the National Guard associated with construction within Camp Roberts. While efforts to secure a right of entry for construction in 2007 are underway, no reliable guarantees have been secured. In light of this, contractors have been advised that mobilization onto Camp Roberts will occur after June 2008. Commissioners stand ready to take this matter to our state and federal elected officials. Mr. Hollenbeck suggested allowing through July 12, 2007, to observe progress with the National Guard staff level.

Mr. Hollenbeck reported interest from two potential New Participants, one seeking a 200 AFY entitlement south of Atascadero and one seeking perhaps 150 AFY north of Paso Robles. Such deliveries may be met from Reserve Capacity which is “dropped off” along the way per prior direction from the Commission.

Participant elected bodies should expect to see Amendment No. 2 to the delivery entitlement contracts on an upcoming agenda. One last comment round is underway with staff now.

The Project team reports contractor interest that exceeds expectations. Twenty one general contractors are holding plans for the pipeline work plus four for the intake. The mandatory pre-bid job walk for Spec 2 – Facilities will be held on July 10, 2007. Jacobs is handling all contractor questions and the Black & Veatch team assists in responses. Contractors and suppliers are finding the Project web site quite useful.

The District’s Board of Supervisors hosted a third Necessity Hearing on June 26, 2007, in response to which Monterey County Water Resource Agency submitted a letter documenting opinions that previously were unstated by the Agency.

Conoco Phillips has taken a stance of disagreement to the proposed share of responsibilities in the anticipated disturbance of contaminated soils. Another coordination meeting will soon be held.



this regard. Commissioner Mecham asked if this contract extension would secure all the rights sought for the Project and Mrs. Halley replied no, that some property owners may choose the condemnation route and that perfecting rights on federal and state lands can take years. Legal services and District right-of-way services are likely to be needed in addition to Hamner-Jewell's support. Commissioner Jones moved approval for a contract extension with Hamner-Jewell & Associates of up to an additional \$100,000; Commissioner Brooks seconded the motion; passed unanimously.

EIR Addendum – Christine Halley reviewed the content of the Project EIR addendum, noting that no significant changes in environmental impacts were noted during preparation of the addendum. Staff recommends forwarding the EIR addendum to the Board of Supervisors for their action. Noel King asked if the action could accompany, say, construction contract awards following the opt-out period and John Hollenbeck responded yes. Commissioner Romero moved to forward the EIR Addendum to the Board of Supervisors with Commission support; Commissioner Jones seconded the motion; passed unanimously.

VIII. Future Agenda Items Desired by Commission – None stated.

Chairman Ovitt adjourned the meeting at 5:03 pm.

Submitted by Christine Halley



Nacimiento Project Commission
July 26, 2007
**Agenda Item IV.a– Project Management Report/
Initial Bid Results**
(Information Only – No Action Required)

For this special Commission meeting, the Project Manager will focus his report on the bid results to date.

Two of the five construction contract bids were opened the week of July 16, 2007, for Specs 01 - Intake and Spec 03 - Pipeline North, representing in excess of 30% of the construction value of the Nacimiento Water Project. Bid results are summarized below.

Spec 03 – Pipeline North / Bid Review and Assessment

The Spec 03 - Pipeline North bid opening took place on July 19, 2007. Spec 03 is the largest of the three pipeline contracts, and represents the portion of the project in North County. Nine (9) bids were received by the District from general contractors that had attended the mandatory pre-bid conference. A summary of the bid results is attached.

The apparent low bid (\$38.4 million) was under the designer's construction cost estimate for this work by \$11.4 million. The bid forms are currently under review by the District for conformity with the instructions to bidders, and the result of the review, if completed, will be reported at the July 26 Commission meeting.

Spec 01 – Intake / Bid Review and Assessment

The Spec 01, Intake, bid opening took place on July 16, 2007. Three (3) bids were received from a pool of seven (7) general contractors that had been pre-qualified by the District. A summary of the bid results is attached.

The apparent low bid (\$20.8 million) exceeded the designer's construction cost estimate for this work by \$7.7 million. Upon review of the bid forms submitted by the three contractors, discussions with the District and Jacobs, and further reasoning, the difference may be explainable as follows:

- Fewer Bidders: experience shows that reducing the number of bidders results in less competition and allows the general contractors to place higher markups on the work on bid day. Subsequent to pre-qualifying seven contractors for the intake work, three dropped out for business reasons and did not attend the mandatory pre-bid conference, and of the remaining four, one decided not to bid as a general.
- Underground Contractors Are Busy: competition among the utilities in the state for contracted work, particularly similar underground projects, allows underground contractors to satisfy their work load and manage risk by being selective which projects to bid. The week of July 9, there were bid openings on two underground projects (SCVWD Lenihan Dam and SRCSD Northwest Interceptor). Many of the Spec 01 pre-qualified bidders were involved in the other bid openings.



It was reported that one of the pre-qualified bidders won a portion of the SRCSD project and therefore had to forego bidding on Spec 01.

- Highly Specialized Subcontractor Requirements: the microtunneling work involving a lake tap is highly specialized construction work and appears to have attracted only two interested sub firms to propose. The shaft work is a similar situation. Lack of competition among specialty subcontractors can lead to higher pricing for subcontracted work.
- Risk Contingencies: the Spec 01 - Intake construction is considered to be the riskiest part of the NWP construction. Bid pricing often accounts for risk by adding hidden contingencies. Some of the areas of risk that may have attracted “risk dollars” include:
 1. *Lake level affect on the cost of marine operations;* lake levels are not controllable by the District or the contractor. Bidders could base the cost of their work assuming a completely full reservoir, or assume that the water levels will be lower, reduce their costs accordingly, and accept some risk. Initial feed back from discussions with bidders indicate the former.
 2. *Affect of construction schedule on the cost of the project;* bidders were provided with a completion time limit that is considered by the District to be reasonable but may be of concern to the bidders based on the perceived risks and tolerance for risk.
 3. *Affect on bid prices due to potential materials cost escalation;* steel pipe and other materials prices continue to fluctuate in the marketplace (e.g., the price of stainless steel products have recently escalated dramatically due to the price of nickel).
 4. *Uncertainty associated with subsurface working conditions;* although extended measures were taken during design to help better define subsurface conditions (e.g., additional borings and rock permeability tests), bidders will, again, consider their risks and account for these risks in the bid pricing. Possible factors include: the extent and volume of dewatering discharges, treatment requirements for dewatering discharges, rock strength, rock fracturing, and adequate working room in the deep shaft for microtunneling equipment.

The results of bidding for Spec 04 - Pipeline Central will be known on July 26, 2007, and will be verbally reported at the Commission meeting.

Attachments: *Bid Summary for Spec 01 - Intake*
 Bid Summary for Spec 03 - Pipeline North

* * *



SUMMARY OF BIDS OPENED IN PUBLIC MEETING ON MONDAY, JULY 16, 2007, AT 3:15 P.M.

Location: 1055 Monterey Street. Suite D120 San Luis Obispo, CA 93408

Title: Construction of the Intake Unit A for the Nacimiento Water Project.

PART 1

Contract Number: 300187.08.01

County Estimate: \$13.1M

Name & Address of Bidder	Amount of Bid	Addendum List # Acknowledged	Bid Guarantee		
			Bond	Check	Cash
1. BARNARD CONSTRUCTION CO. INC. PO BOX 99 BOZEMAN, MT 59771-099	\$21,209,500 ⁰⁰	4	X		
2. JAMES W. FOWLER CO. 12775 WESTVIEW DRIVE DALLAS, OR 97338	\$20,813,600 ⁰⁰	4	X		
3. KIEWIT PACIFIC CO. 5000 MARSH DRIVE CONCORD, CA 94520	\$29,400,000 ⁰⁰	4	X		
4.					
5.					
6.					
7.					
8.					

ALTERNATES

Bidder	1.	2.	3.	4.	5.	6.
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						

Bids opened by Annette Ramirez Clerk of the Board, in the presence of [Signature] Public Works; [Signature] Deputy County Counsel; and [Signature] Witness. Referred to Public Works for checking and to report to the Board of Supervisors on August 28, 2007.

Original bids attached to Public Works copy of Summary and delivered this date of July 16, 2007.

[Signature]
Deputy Clerk-Recorder

SUMMARY OF BIDS OPENED IN PUBLIC MEETING ON THURSDAY, JULY 19, 2007, AT 3:15 P.M.

Location: 1055 Monterey Street. Suite D120 San Luis Obispo, CA 93408

Title: Construction of the Nacimiento Water Project Pipeline North Units A, A1, C, and C1

Contract Number: 300187.08.03

County Estimate: #49,8

Name & Address of Bidder	Amount of Bid	Addendum List # Acknowledged	Bid Guarantee		
			Bond	Check	Cash
1. Diablo Contractors, Inc. 7 Crow Canyon Court, Ste 100 San Ramon, CA 94583	# 51,331,610 ⁰⁰	3	X		
2. ARB, Inc. 26000 Connercentre Drive Lake Forest, CA 92630	# 47,516,648 ⁰⁰	3	X		
3. Mountain Cascade Inc. Po Box 5050 Livermore, CA 94551	# 40,712,260 ⁰⁰	3	X		
4. S.J. Louis Construction, Inc. 3032 County Road 138 Waite Park, MN 56387	# 40,300,000 ⁰⁰	3	X		
5. Ranger Pipelines, Inc. Po Box 24109 San Francisco, CA 94124	# 42,911,704 ⁰⁰	3	X		
6. Papich Construction, Inc. Po Box 2210 Pismo Beach, 93448	# 44,723,521 ⁰⁰	3	X		
7. Don Kelly Construction 6861 N. Oracle Road Tucson, AZ 85704	# 43,671,152 ⁰⁰	3	X		
8. ERS Constructors 15427 E. Fremont Drive Centennial, CO 80112	# 48,039,290 ⁰⁰	3	X		

ALTERNATES

Bidder	1.	2.	3.	4.	5.	6.
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						

Bids opened by Annette Ramirez Clerk of the Board, in the presence of
[Signature] Public Works; [Signature] Deputy
 County Counsel; and [Signature] Witness. Referred to Public
 Works for checking and to report to the Board of Supervisors on August 28, 2007.

Original bids attached to Public Works copy of Summary and delivered this date of July 19,
 2007.

[Signature]
Deputy Clerk-Recorder

SUMMARY OF BIDS OPENED IN PUBLIC MEETING ON THURSDAY, JULY 19, 2007, AT 3:15 P.M.

Location: 1055 Monterey Street. Suite D120 San Luis Obispo, CA 93408

Title: Construction of the Nacimiento Water Project Pipeline North Units A, A1, C, and C1

Contract Number: 300187.08.03

County Estimate: _____

Name & Address of Bidder	Amount of Bid	Addendum List # Acknowledged	Bid Guarantee		
			Bond	Check	Cash
9. Teichert Construction 8589 Thys Court Sacramento, CA 95828	\$ 38,355,245 ^{net}	3	X		

ALTERNATES

Bidder	7.	8.	9.	10.	11.	12.
9						

Bids opened by Annette Ramirez Clerk of the Board, in the presence of *John D. Hallenbeck* Public Works; *Stacy G. Jordan* Deputy County Counsel; and *Samuel D. DeSola* Witness. Referred to Public Works for checking and to report to the Board of Supervisors on August 28, 2007. Original bids attached to Public Works copy of Summary and delivered this date of July 19, 2007.

Annette Ramirez
Deputy Clerk-Recorder

Nacimiento Project Commission
July 26, 2007
Agenda Item VII.a – Builder’s Risk Insurance Coverage Options
(Commission Action Item – Subsequent Board of Supervisors
Action Required)

TO: Nacimiento Project Commission
FROM: John R. Hollenbeck, P.E., Nacimiento Project Manager
VIA: Noel King, Director, Department of Public Works
DATE: July 26, 2007

Recommendation

Procure \$35 million loss limit builder's risk coverage with a \$10,000 deductible and no earthquake or flood coverage and direct staff to work with Alliant Insurance Services and the County risk management staff to secure such Builder’s Risk Insurance policy.

Discussion

At prior Commission and Technical Support Group meetings, the group discussed the merits of securing Builder’s Risk Insurance on a project-wide basis, extending coverage to the various contractors. At the June 2007 Commission meeting, staff reviewed various premium quotes from several carriers and discussed the advisability of earthquake and/or flood coverage for the Project. One carrier noted earthquake coverage deductible at “5% of Value at Risk and Time of Loss subject to a minimum of \$250,000 per claim”, explaining that the deductible would be calculated based upon the Total Insurable Values constructed at the time of a loss. For that type of policy, the District and the carrier would regularly track the Total Insurable Values as construction progresses so that the basis of any claim could be tracked.

The Commission discussed the possibility of securing earthquake coverage for the above-ground facilities only as well as an array of options with and without flood coverage. Alliant Insurance Services had further dialogue with potential carriers and secured the premium quotes noted on the attached matrix. Please note that Fireman's Fund does not offer flood or earthquake insurance and neither AIG nor Hartford Insurance is willing to provide "stand-alone" flood or earthquake coverage for the Project. AIG, while not offering the lowest premium for the basic coverage, quoted competitively on earthquake and flood coverage and demonstrated a high degree of familiarity with this type of insurance. Notice that while Hartford Insurance will extend some earthquake and flood coverage, it is limited to \$500,000, omits the intake, and carries a high premium for anything in addition to the basic Builder’s Risk Insurance.

Some observations from Alliant Insurance Services are that Hartford Insurance pricing looks high as compared to Fireman's Fund and their earthquake and flood terms are way too expensive. Hartford does not feel comfortable at all with the intake system and needs much more information on it to move forward.



AIG is the best option for the purchase of earthquake and flood protection and appears to be the most experienced at writing projects such as Nacimientto.

Fireman's Fund is the best option to pursue if the District elects not to purchase the earthquake and/or flood coverage as they are extremely competitive although they have a \$1 million limit on claims arising from testing.

The Technical Support Group discussed this at their July 12, 2007, meeting and reviewed the attached matrix. Taken into consideration was the relatively short construction window as compared to the recurrence interval of local earthquake and flood events as well as the overall favorable behavior of local infrastructure in withstanding flood and earthquake events. In general, older facilities sustained damage while more modern systems performed well.

Based on this, the TSG recommends procuring \$35 million loss limit builder's risk coverage with a \$10,000 deductible and without earthquake or flood coverage. The estimated project premium with Fireman's Fund would be \$341,000 depending on the deductible amount, noting that the figures stated in the attached matrix are not binding quotes. Each carrier requires more Project and owner information as well as confirmation of the construction contractors to whom coverage will also be extended.

Other Agency Involvement

The District's approach to insurance coverage for the Nacimientto Water Project will indirectly affect the Participants as well as the construction contractors. Decisions pertaining to Builder's Risk coverage will be made in conjunction with Commission input.

Financial Considerations

The Project is funded by the Nacimientto Participants per the Nacimientto Project Water Delivery Entitlement Contracts executed by the Board of Supervisors in August 2004, for the initial Participants, and in October 2006, for the New Participant. Costs associated with construction contractor's insurance requirements are included in the engineer's opinion of probable construction cost included in the Nacimientto Water Project design phase budget.

If the first-year's insurance premium were procured during the design phase, which the Project Manager proposes, then there are sufficient budget reserves to cover this cost (estimated at \$128,000 in the first year). Beyond that, the costs would be paid during the construction phase through the sale of the bonds. Total estimated project premium for the coverage recommended herein is \$341,000 pending receipt of final, binding quotes.

Results

Approval of this recommendation would protect the public's investment in elements of the Project that are under construction, providing a source of funds in the event that damage is sustained prior to the Project's completion, ease the claim process as compared to requiring individual contractors to provide such insurance, and reduce overall Project cost to a relative small extent.

* * *

**Nacimiento Water Project
Builders Risk Insurance Coverage Options**

As of July 20, 2007

Coverage	AIG	Fireman's Fund	Hartford Insurance
\$35 million loss limit All Other Perils Excludes E'quake and Flood	Off-Site Storage - \$500,000 Transit Coverage - \$500,000 Deductible - \$25,000 ¹ Project Premium² - \$550,587	Off-Site Storage - \$500,000 Transit Coverage - \$500,000 Deductible - \$25,000 Project Premium³ - \$315,847	Project Premium - \$375 – 400,000
Additional earthquake and flood coverage for all facilities Flood Zones A & V are excluded	Loss Limit for E'quake and Flood - \$15 million Deductible for Flood - \$250,000 Deductible for E'quake - 5% of Value at Risk and Time of Loss subject to a minimum of \$250,000 per claim ⁴ Project Premium - \$+407,405	Coverage for water damage (Flood) or earth movement (E'quake) including collapse is not available.	\$500,000 E'quake and Flood, Deductible for E'quake and Flood- 5% of Value at Risk and Time of Loss...Minimum of \$100,000 Excludes EQ and Flood at the intake location Project Premium - \$+747,600
Additional earthquake coverage only for all facilities	Loss limit for E'quake at \$15 million: Project Premium - \$+250,000. Loss limit for E'quake at \$10 million: Project Premium - \$+187,500. Same deductibles as above	Coverage for water damage (Flood) or earth movement (E'quake) including collapse is not available.	\$500,000 E'quake, Same Deductible as above Excludes EQ at the intake location Project Premium - \$+467,300
Additional earthquake coverage only for above-ground facilities, no pipeline coverage.	Loss limit for E'quake at \$15 million: Project Premium - \$+250,000. Loss limit for E'quake at \$10 million: Project Premium - \$+187,500. Same deductibles as above	Coverage for water damage (Flood) or earth movement (E'quake) including collapse is not available.	\$500,000 E'quake, Same Deductible as above Excludes EQ at the intake location Project Premium - \$+400,500
Additional flood coverage only for all facilities	Project Premium - \$+275-300,000	Coverage for water damage (Flood) or earth movement (E'quake) including collapse is not available.	\$500,000 E'quake, Same Deductible as above Excludes EQ at the intake location Project Premium - \$+224,300

¹ To reduce the deductible to \$10,000, AIG's premium would increase by approximately \$55,000; Fireman's Fund would increase by approx. \$25,000; Hartford Insurance declines to write a policy with that low of a deductible.

² Project Premium refers to coverage over the anticipated construction period, i.e. 32 months.

³ Fireman's Fund quote is limited to a \$1 million testing limit. In the event of a claim resulting from testing of installed work, the limit of their coverage is \$1 million.

⁴ Explanation: The Deductible will be calculated at 5% of the Total Insurable Values constructed at the time of loss subject to a minimum amount designated.

Nacimiento Project Commission
July 26, 2007
**Agenda Item VII.b – Contract Extension with Black & Veatch for
Construction Phase Services**
(Commission Action Item – Subsequent Board of Supervisors
Action Required)

TO: Nacimiento Project Commission
FROM: John R. Hollenbeck, P.E., Nacimiento Project Manager
VIA: Noel King, Director, Department of Public Works
DATE: July 26, 2007

Recommendation

Project staff recommends that the Commission approve and direct staff to forward to the District's Board of Supervisors for execution a professional engineering services contract extension with Black & Veatch to include post-design services supporting the Construction Phase of the Project, for a base-fee of \$2,725,000, plus a contingency fee of \$475,000.

Discussion

Black & Veatch Corporation has been performing the professional engineering services for the design of the Project since July 2005. They have performed essentially all of their scope of work to-date, and are concluding their professional services agreement by supporting the District during the Bidding Phase of the Project. Post-design services are not included within their base-service, and are presented within this staff report for consideration by your Commission. Staff has been very pleased with the engineering services received from Black & Veatch, and commends them for keeping the Project on-schedule, and for their dedicated effort to manage the design in a manner to keep the construction cost increase to the least possible.

The Project Manager's budget report at the October 26, 2006, Commission Meeting outlined several Construction Phase costs, including the post-design services for Black & Veatch. At the December 14, 2006, Commission Meeting, the Budget Report was adjusted to include a budget of \$3,200,000 for the post-design services to be performed during the Construction Phase of the project. The Project Manager, working with Black & Veatch, established the following tasks during the Construction Phase:

- Field Engineering Services (field liaison staff)
- Office Engineering Services (technical review of Contractor submittals)
- Specialty Inspection and Witness Testing
- Project Management During Construction
- Record Drawings
- Design Support Contingency (District Controlled Scope)



The base-fee for the first five bullets equates to \$2,725,000 of services, and the last bullet is the District-controlled contingency equating to \$475,000. The total post-design scope has been negotiated to the \$3,200,000 valued established within the budget.

Other Agency Involvement

Designation of Construction Phase funds affects all Project Participants. Other than that, no other agency involvement is anticipated with this action.

Financial Considerations

The fee for the post-design services is budgeted at \$3,200,000, and the negotiated scope of work proposed by Black & Veatch equals the budgeted amount.

Results

Authorization of Black & Veatch to serve the District through the Construction Phase provides continuity of the technical issues of this historic Project.

* * *

Nacimiento Project Commission

July 26, 2007

Agenda Item VII.c – Contract Extension with TJ Cross Engineers for Construction Phase Services

(Commission Action Item – Subsequent Board of Supervisors Action Required)

TO: Nacimiento Project Commission

FROM: John R. Hollenbeck, P.E., Nacimiento Project Manager

VIA: Noel King, Director, Department of Public Works

DATE: July 26, 2007

Recommendation

Forward a recommendation to the Board of Supervisors to amend TJCross Engineer's contract for professional engineering support services for construction phase services associated with the Nacimiento Water Project for a fee increase of \$500,000.

Discussion

Since August 2004, TJCross Engineers, Inc. has provided project engineering and management services for the Nacimiento Water Project, particularly as the Nacimiento Project Commission was established and the design team assembled. Christine Halley, PE, has lead TJCross' efforts in this regard. TJCross proposes to extend engineering support services for the Project into the construction phase as directed by the Nacimiento Project Manager for the following activities:

- Assist in agenda packet preparation for the Nacimiento Project Commission, Technical Support Group, and staff meetings. Organize meetings with third parties (MCWRA, PG&E, etc.).
- Provide oversight of cost allocation approach, incremental cost calculations, and billing model approach.
- Assist in managing the professional contracts associated with project execution.
- Assemble a "Project History" focusing on the period beginning in the 1950's with the Flood Control District's master agreement execution through present-day construction and start-up of the Project. The intended audience would be interested members of the public, in particular local history enthusiasts. Include a timeline of milestone events over the decades and key documents of interest to the public. Assemble photos from County archives and other records depicting events along the way and author a narrative to accompany various periods of time.
- Assist in evaluating operations staffing needs and in laying a maintenance schedule for Project facilities.
- Continue efforts to secure easements for the Project.



- Contact potential New Participants especially in the North County and establish the level of interest in receiving Nacimiento deliveries.
- Extend other project management activities and coordinate the many project activities with the District's Project Manager.

Mrs. Halley's history on the Project in particular continues to be an asset to Participants as Project implementation nears.

Other Agency Involvement

Designation of Construction Phase funds affects all Project Participants. TJCross would also assist in coordination with other agencies such as the State of California, the federal government, utility providers, etc. and to that extent, other agencies would be contacted during the construction phase.

Financial Considerations

TJCross' services during the Design Phase have been budgeted and tracked as part of the Project Management line item budget. The proposed contract extension would authorize up to an additional fee of \$500,000, representing on the average 17 hours per week of Mrs. Halley's time sustained over a 3 ½ year period. This is budgeted as part of the Construction Phase Project Management line item budget.

Authorizing proposed Amendment No. 3 to the TJ Cross consulting services contract would increase the maximum time-and-materials fee authorization from \$320,000 to \$820,000.

Results

Continued project management support services by TJCross Engineers into the construction phase will lend continuity to the Project and to the public as the Project implementation takes shape.

* * *

Nacimiento Project Commission

July 26, 2007

Agenda Item VII.d – Jacobs Contract Amendment for Environmental Monitoring Services

(Commission Action Item – Subsequent Board of Supervisors Action Required)

TO: Nacimiento Project Commission
FROM: John R. Hollenbeck, P.E., Nacimiento Project Manager
VIA: Noel King, Director, Department of Public Works
DATE: July 26, 2007

Recommendation

Forward a recommendation to the Board of Supervisors to amend Jacob’s construction management contract to include construction phase environmental monitoring services provided by a subconsultant, ESA, Inc. at an estimated fee of \$2.4 million.

Discussion

On May 11, 2007, the District received six proposals for environmental monitoring services firms in support of the Nacimiento Water Project. The environmental monitoring team would act as part of the construction management team in guiding the permit and environmental compliance during the anticipated 3 year construction window. The monitors would hold responsibility for pre-construction surveys, monitoring of construction activities for compliance with terms of the various permits and compliance plans in effect for the Project, cultural and paleontological resource monitoring and, when needed, collection of findings of significance, reporting to regulators, and environmental training for field staff.

Opus Environmental, TRC, PMC, Rincon, Bio Resources Consultants, and ESA all submitted proposals to the District. A selection panel made up of County Public Works and Planning Department staff, City of San Luis Obispo staff, Jacobs, and TJ Cross Engineers convened on June 26, 2007, and forwarded a recommendation to the Commission to enter into contract negotiations with ESA, Inc. for environmental monitoring services.

ESA satisfactorily responded to questions pertaining to their proposal and are drafting contract terms ultimately for consideration by the Board of Supervisors.

Other Agency Involvement

During construction, the environmental monitor will represent the District in communications with numerous regulatory agencies. Since ESA lead the permitting phase of the Project, their involvement as monitor will lend continuity to the construction phase.



Financial Considerations

ESA's \$1.8 million proposal was based on a 40-hour work week with no allowance for overtime and noted a set of events and services that were omitted from their initial proposal. The District is negotiating a contract scope and fee that more realistically provides for overtime monitoring and packages some events such as special handling of protected species into the base scope. At the same time, ESA is recruiting local monitors and reconsidering their Project billing rates, steps that will reduce the cost for services.

Depending on final contract negotiations, a District-held contingency of up to \$500,000 may be recommended to address issues such as extended construction periods and overtime, sensitive plant and endangered species retrieval/relocation, addressing cultural and/or paleontological finds beyond those identified in the monitor's bases scope of services, and response to unforeseen permit compliance events.

Jacobs will bring ESA on board as a subconsultant, thus the recommended amendment to Jacob's contract. Management costs of up to 5% of the value of the ESA services contract may apply, bringing the total estimated value of the Jacobs contract amendment to \$2.4 million for environmental monitoring services.

Results

Selection of a qualified environmental monitor who integrates well into the construction management team will contribute to construction of an environmentally sound project and will be an aid to the orderly progress of construction within the time constraints posed by regulations.

* * *

