

Staff Report

for the Board of Directors Meeting of June 27, 2018

TO: Members of the Board of Directors

FROM: Greg Jones, Assistant General Manager

DATE: June 20, 2018

SUBJECT: **Combie Sediment and Mercury Removal Project (FATR #2135):
GLEI Contract Authorization**

ADMINISTRATION

RECOMMENDED ACTION:

Award a Construction Contract to Great Lakes Environmental & Infrastructure (GLEI), in partnership with Teichert Aggregates in the amount of \$4,618,723, for the removal of sediment and elemental mercury from Combie Reservoir, and authorize the General Manager to execute the necessary documents.

BACKGROUND:

On April 25, 2018, the NID Board of Directors approved Resolution #2018-08 authorizing the General Manager to execute the Funding Agreement and any Amendments thereto, in the amount of \$5,500,000 with the Department of Water Resources for the Combie Sediment and Mercury Removal Project. This Agreement (#4600012439) has been executed by all parties. This funding has been specifically targeted towards the sediment removal and treatment processes of the Combie Project.

On November 1, 2017, NID sent a Request for Proposal (RFP) for Project Implementation to seven companies, including: Teichert Aggregates, Great Lakes Environmental & Infrastructure, Robinson Enterprises, Hansen Brothers, Kiewit, and Granite Construction. A combined GLEI/Teichert bid was the only respondent to the RFP. The GLEI response provided industry insight on the challenges & constraints in implementing the project as originally defined and detailed the need for further analysis and planning in order to develop a work plan which is both cost effective and project goal oriented. In January, 2018, NID engaged in a pre-construction services contract with GLEI who has since been working to design an effective and efficient project scenario.

In assessing this unique project, GLEI, NID and project partners recognized multiple different options for sediment and mercury removal given budget constraints. Together, we narrowed the project to one solution – dry excavation & partial sediment processing in the fall of 2018 and wet dredging with 100% sediment processing in the spring/summer 2019. We anticipate that GLEI will excavate approximately 38,000 cubic yards of

sediment and process approx. 17% of the material in the fall of 2018, using the dry method while reservoir levels are down.

During the spring/summer of 2019, GLEI will continue sediment and mercury removal procedures with a suction cutter head dredge to remove an additional approx. 21,000 cubic yards of sediment, processing 100% through the mercury concentrator.

This contract will be executed through a time and materials (T&M) budget with a not to exceed cost. Pending on-site efficiencies, cost savings, and unallocated budget availability, GLEI may accomplish additional dry excavation removal and processing in the fall of 2019.

The contract amount for \$4,618,723 is inclusive of site construction, mobilization, set-up, sediment removal, hauling, piping, processing, and shut-down for the removal and treatment of sediment and mercury from Combie Reservoir in both dry and wet conditions.

This contract is one of a number of contracts necessary to complete the project as outlined in the projected budget table below.

Task	Description	DWR (10115-52915)	NID Funds (10115-52915)	Totals	Contractor	FY Period
1	Project Management / Compliance Activities	\$ -	\$ 519,774	\$ 519,774	H&K/NV5	2018 - 2020
2	Concentrator Alteration & Mercury Consultation	\$ 100,000	\$ -	\$ 100,000	T. Reimchen	2018 - 2019
3	Knelson Concentrator	\$ 209,143	\$ -	\$ 209,143	FLSmith	2017 - 2018
4	Sed Removal & Mercury Recovery Operations	\$ 4,576,000	\$ 42,723	\$ 4,618,723	GLEI	2018 - 2020
5	Sediment Disposal	\$ -	\$ 600,000	\$ 600,000	Teichert	2018 - 2020
6	Biological Research Activities & Reporting	\$ 400,000	\$ 701,477	\$ 1,101,477	USGS	2017 - 2022
7	Community Engagement & Outreach	\$ -	\$ 100,000	\$ 100,000	TSF	2017 - 2020
N/A	Budget Unallocated	\$ 214,857		\$ 214,857	Unallocated	
	Project Total	\$ 5,500,000	\$ 1,963,974	\$ 7,463,974		2017 - 2022

Staff recommends a contract award to Great Lakes Environmental & Infrastructure in the amount of \$4,618,723 for the removal of sediment and elemental mercury from Combie Reservoir, and authorize the General Manager to execute the necessary documents.

BUDGETARY IMPACT:

The Combie Reservoir Sediment and Mercury Removal Project (FATR 2135) will cost \$7.5M, the District's executed grant award Agreement #4600012439 with the State of California Department of Water Resources is \$5.5M and \$2.0M is being funded from Capital Reserves.