

Construction Partnering on the  
Oakland Harbor Navigation Improvement -50' Deepening Project/  
Hamilton Wetlands Restoration Project  
Phase 3E Construction Contract

Briefing Agenda

1. Project Background
2. Contract Background
3. Partnering Sessions
4. Partnering Benefits Realized
5. Partnering Clause
6. Partnering Recommendations

## Project Background

### Overall Project Data

Oakland authorized in 1999 for \$381.7M and is 55% complete.

Completed -46 interim deepening to 3.4 miles of Outer Harbor

Completed -46 interim deepening to 4 miles of Inner Harbor

Completed Inner Harbor Turning Basin widening and sheet pile walls

Completed \$41M contract to place 2.9MCY of dredge material at the private Montezuma uplands site

Completing next month bulk fill of 7MCY into Middle Harbor Enhancement Area for mitigation of sub-tidal habitat

Phase 3E will complete -50 deepening to 3.4 miles of Outer Harbor in FY08

Phase 3E will complete -50 deepening to 4 miles of Inner Harbor in FY09.

Phase 3E will place 0.5MCY at ocean disposal during remainder of FY07.

Hamilton authorized in 1999 for \$65.2M and is 40% complete.

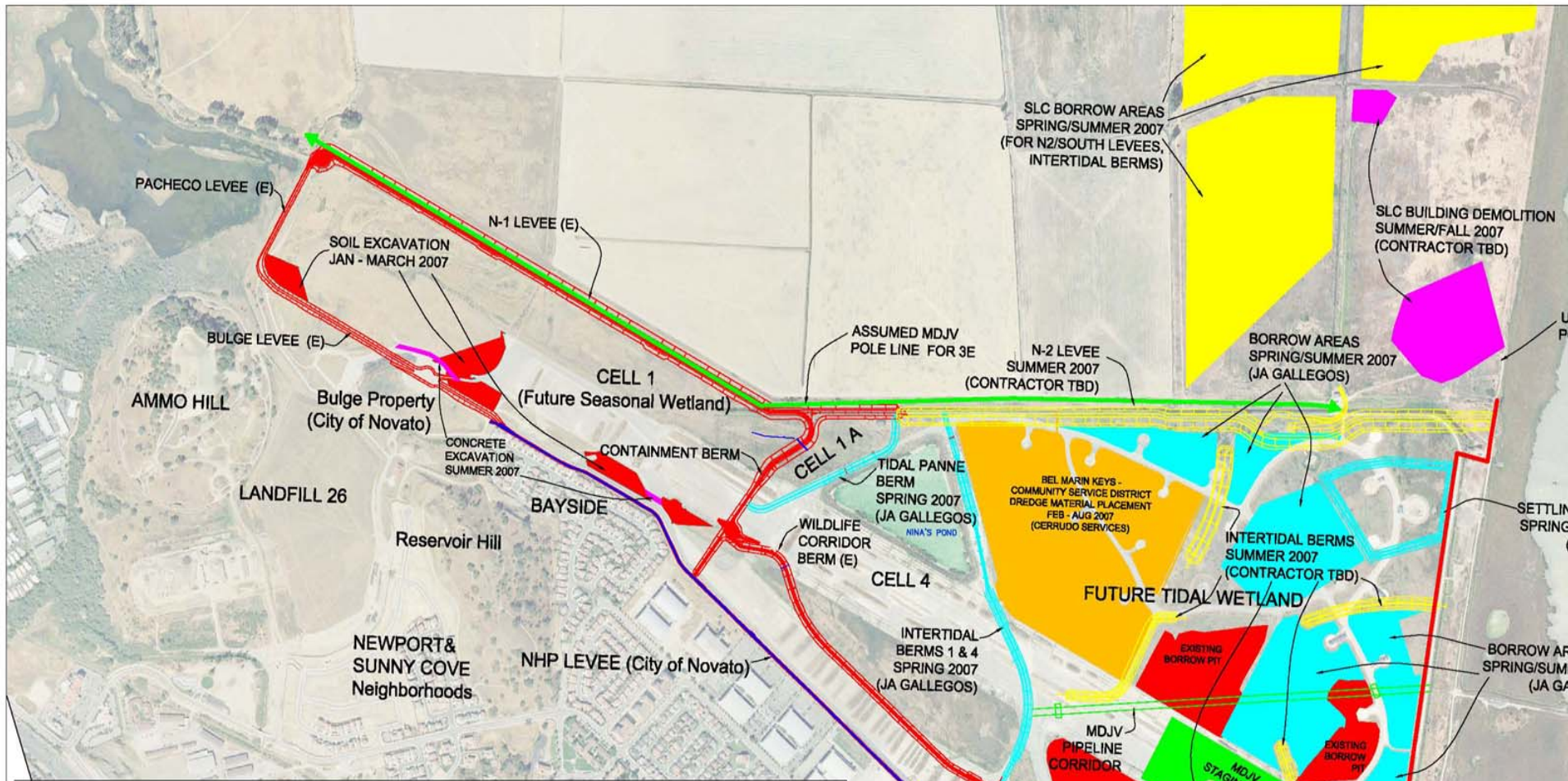
Completed 85% of containment dikes.

Complete remaining 15% of containment dikes in FY07/FY08.

Phase 3E will dredge, transport, offload, pump, and place 2.6MCY of select dredge material at Hamilton in FY08/FY09 to create 988 acres of tidal wetlands, seasonal wetlands, and a wildlife corridor. All dredging equipment and off-loader are electric to reduce NOx emissions.

Future Federal O&M Projects starting in FY08 are currently authorized to place 8MCY of additional O&M dredge material into Hamilton. Hamilton may be expanded to double in size by Bel Marin Keys addition to increase project to \$228.1M.





**HAMILTON WETLAND RESTORATION PROJECT**

**Existing and Planned Features**

**SCALE: 1" = 800'**

- Red** = Existing Feature
- Cyan** = Tidal Panne Berm Contract (& Intertidal Berms 1,4, Settling Basin) Spring/Summer 2007 (JA Gallegos)
- Yellow** = N-2/South Levees, Intertidal Berms Contract Summer 2007 (TBD)
- Orange** = BMK-CSD Dredge Placement - Spring/Summer 2007 (Cerrudo)
- Green** = Oakland 3E Contract Features (MDJV)
- Blue** = NHP Levee Raising - Winter/Spring 2006/2007 (Cerrudo)

Note: For Planning Purposes Only - locations are approximate

SLC BORROW AREAS SPRING/SUMMER 2007 (FOR N2/SOUTH LEVEES, INTERTIDAL BERMS)

SLC BUILDING DEMOLITION SUMMER/FALL 2007 (CONTRACTOR TBD)

PACHECO LEVEE (E)

N-1 LEVEE (E)

SOIL EXCAVATION JAN - MARCH 2007

BULGE LEVEE (E)

AMMO HILL

Bulge Property (City of Novato)

CONCRETE EXCAVATION SUMMER 2007

CELL 1 (Future Seasonal Wetland)

CONTAINMENT BERM

CELL 1 A

ASSUMED MDJV POLE LINE FOR 3E

N-2 LEVEE SUMMER 2007 (CONTRACTOR TBD)

BORROW AREAS SPRING/SUMMER 2007 (JA GALLEGOS)

LANDFILL 26

BAYSIDE

Reservoir Hill

WILDLIFE CORRIDOR BERM (E)

TIDAL PANNE BERM SPRING 2007 (JA GALLEGOS)

BEL MARIN KEYS - COMMUNITY SERVICE DISTRICT DREDGE MATERIAL PLACEMENT FEB - AUG 2007 (CERRUDO SERVICES)

INTERTIDAL BERMS SUMMER 2007 (CONTRACTOR TBD)

CELL 4

INTERTIDAL BERMS 1 & 4 SPRING 2007 (JA GALLEGOS)

FUTURE TIDAL WETLAND

NEWPORT & SUNNY COVE Neighborhoods

NHP LEVEE (City of Novato)

MDJV PIPELINE CORRIDOR

EXISTING BORROW PIT

MDJV STAGING AREA

EXISTING BORROW PIT

SETTLING BASIN

BORROW AREAS SPRING/SUMMER 2007 (JA GALLEGOS)

EXISTING UNDERGROUND POWER LINE

CELL 2 (Future Wildlife Corridor)

SOUTH GATE

OTHER CONTRACTOR STAGING AREA

FUTURE SOUTH SEASONAL WETLAND

SOUTH LEVEE SUMMER 2007 (CONTRACTOR TBD)

SOUTHERN SEAS WETLAND BERM 2

## Phase 3E Solicitation Background

17 Jan 06 - HQ publishes final over-depth policy.

16 Feb 06 - Pre-Solicitation Conference.

02 Mar 06 - Solicitation Issued.

22 Mar 06 - HQ Publishes PARC Instruction on Special Continuing Contract Clause.

Mar to May 06 - Contractor Agency Protests/ Agency Decisions concerning over-depth and SCCC.

May to Jun 06 - Contractor GAO Protests concerning over-depth and SCCC.

24 May 06 - EPA Issues Letter clarifying risk of EPA fines from over-depth.

15 Jun 06 - Contractor withdraw GAO protests after SPN deletes SCCC and amends solicitation to base plus options.

22 Jun 06 – Bid Opening.

30 Jun 06 – Contractor Agency Protest over un-balanced bid and insufficient funds to award base.

07 Jul 06 – Low Bidder extends bid to 20 Oct 06 and disputes un-balanced bid protest.

01 Sep 06 – Agency Decision on un-balanced bid and insufficient funds to award base.

05 Oct 06 – Award Base Contract.

## Phase 3E Contract Background

NTP Date – 19 Oct 06

Contract Duration – 800 days

Contract Completion Date – 27 Dec 08

Base Contract Completion Date – 19 Oct 07

Base Contract Amount - \$43.1M

Nine Optional Bid Item Total Amount - \$72.7M

Total Base plus Nine Options – \$115.8M

Two Options Awarded so far - \$14.1M

Scheduled Percent Complete - 16%

Actual Percent Complete – 37%

## Phase 3E Construction Partnering Sessions

### Executive Construction Partnering

Facilitated Kickoff Meeting 04 Dec 06

First Quarterly 22 Feb 07

Second Quarterly ~17 Jul 07

Executive Partnering has 18 members from Manson-Dutra joint venture, SPN, Port of Oakland (Oakland sponsor), State Coastal Conservancy (Hamilton sponsor), and EPA (principle regulatory stakeholder).

### PDT Construction Partnering

Facilitated Kickoff Meeting 05 Dec 06

Monthly Meetings 23 Jan 07, 27 Feb 07, 27 Mar 07, 22 May 07, and next month ~26 Jun 07.

PDT Partnering has ~40 PDT members from the same organizations as above, plus representatives from and AE design firm for the Oakland Middle Harbor Enhancement Area and a consultant for Hamilton.

## Partnering Benefits Realized

Overcame confrontational relationships during 3E solicitation and prior contracts.

Developed understandings of expectations and perceptions.

Established joint partnership mission statement with detailed list of goals/objectives.

Developed mutual understanding of 3E project complexities and stakeholder interfaces.

Developed appreciation for each partner's challenges on 3E project.

Initially identified 30 "Rocks in the Road" issues and established leaders to work/resolve the list.

Developed a four tiered Issue Resolution Ladder to timely elevate unresolved issues.

The Issue Resolution Ladder has empowered resolution of project issues at lower levels.

Monthly and Quarterly construction partnering meeting are assisting communications within the large PDT and are still a productive forum to timely resolve future challenges and issues.

## Partnering Clause

### **52.0236-4901 PARTNERING (MAR 1992)**

The Government 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 and intended to achieve completion within budget, on schedule, and in accordance with plans and specifications. This partnership would be bilateral in makeup, and participation will be totally voluntary. Any costs associated with effectuating this partnership will be agreed to by both parties and will be shared equally with no change in contract price. To implement this partnership initiative it is anticipated that within 60 days of Notice to Proceed the Contractor's on-site project manager and the Government's Resident Engineer would attend a one or two-day partnership development seminar/team building workshop together with the Contractor's key on-site staff and key Government personnel. Follow-up workshops of 1 or 2 days duration would be held periodically throughout the duration of the contract as agreed to by the Contractor and the Government.

## Partnering Recommendations

Partnering on large complex projects such as Phase 3E are effective and beneficial for improving project communications and more timely issue resolution with all the construction contract partners, sponsors, and stakeholders.

Partnering is more difficult with a large number of participants such as on Phase 3E.

The Partnering Clause appears flexible for small, medium, or large projects and is entirely voluntary.

Partnering can also be expensive. Previous HQ guidance mandated partnering on all construction contracts. Recommend HQ USACE consider addressing cost impacts on the Districts by revising the HQ guidance to address relative expenses of partnering for small, medium or large contracts.