SJRA’s RECENT SUCCESS WITH ALTERNATIVE PROJECT DELIVERY

2012 2013 2014 2015

Water for Texas 2017
January 23-25, 2017
San Jacinto River Authority

• Created in 1937
• Seven-member board appointed by the Governor
• Long-term water resource planning and development
• Four operating divisions:
  • Highlands
  • Lake Conroe
  • Woodlands
  • GRP
GRP Phase 1 Program

- 30 mgd Surface Water Treatment Plant
- 52-mile water transmission system (60” to 12” dia.)
- Modifications to customer receiving facilities for blending in existing ground storage tanks
- Total cost = $490,000,000
- Largest civil works project in Montgomery County to date
Why Alternative Project Delivery?

• Before 2010, all SJRA projects utilized the traditional design-bid-build / low bid system
• Surface Water Facility – 10X the size of previous projects
• GRP Program required accelerated schedule
• Experienced project managers determined to complete the program on schedule, under budget, and with no surprises.
Selected Delivery Methods

Construction Manager at Risk

Competitive Sealed Proposals
## WHY CSP?

<table>
<thead>
<tr>
<th>Traditional Low Bid</th>
<th>CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Contract is awarded to lowest responsible bidder.</td>
<td>• SJRA evaluates proposals according to the criteria listed in the RFP including qualifications, schedule, and price.</td>
</tr>
<tr>
<td>• Not necessarily best value based on schedule and <strong>final</strong> cost.</td>
<td>• SJRA negotiates contract with highest ranked offeror for <strong>best value</strong>.</td>
</tr>
</tbody>
</table>
### Example of CSP Criteria

<table>
<thead>
<tr>
<th>Rating Category</th>
<th>Description</th>
<th>Weighting Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Proposed Project Cost</td>
<td>50</td>
</tr>
<tr>
<td>B</td>
<td>Experience of Offeror with Similar Projects</td>
<td>5</td>
</tr>
<tr>
<td>C</td>
<td>Experience and Qualifications of Proposed Key Personnel</td>
<td>15</td>
</tr>
<tr>
<td>D</td>
<td>Experience of Trade (Sub) Contractors on Similar Projects</td>
<td>10</td>
</tr>
<tr>
<td>E</td>
<td>Ability to Meet Proposed Budget and Time for Construction</td>
<td>10</td>
</tr>
<tr>
<td>F</td>
<td>Approach</td>
<td>5</td>
</tr>
<tr>
<td>G</td>
<td>Local Participation</td>
<td>5</td>
</tr>
<tr>
<td>H</td>
<td>Financial Management (Stability)</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>Transmission System Project Results</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Original Contract Amount:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$148,450,575.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Change Orders:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$(2,051,328.41)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Final Contract Amount:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$146,399,247.19</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

On time and under budget!
WHY CMAR?

**DESIGN-BID-BUILD DELIVERY SYSTEM TIMELINE**

- Pre-Design
- Final Design
- Bid
- Construction

- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016

**CMAR DELIVERY SYSTEM TIMELINE**

- Pre-Design
- Final Design
- Procurement
- Construction*

*Accelerated Schedule allows Early Conversion Credits from LSGCD

LSGCD Deadline
DUE DILIGENCE

2009 to 2010

• Researched Alternative Delivery Methods
• Attended Workshops & Seminars
• Conducted City of Sugarland Staff Interviews
• Conducted City of Austin Staff Interviews
• Reviewed Example Documents
  – RFQ
  – RFP
  – Contract Documents
  – General Conditions
CONTRACT DEVELOPMENT

- Contract Development and CMAR Selection
  - Late 2010 to Summer 2011
  - Pre-Construction Services began August 1, 2011

Timeline:
- Nov-10: Issued RFQ
- Dec-10: Engaged Experts
- Jan-11: Developed Shortlist
- Feb-11: Received SOQs
- Mar-11: Conducted Interviews Presentations
- Apr-11: Began Final Negotiations
- May-11: Received Proposals
- Jun-11: Board Approved
- July-11: Issued RFQ
SCHEDULE RESULTS

• Design schedule pushed to early completion
• Budget established early and tracked continuously
• Construction began early - before final design
• Surface Water delivered 104 days early!
  – Substantial Completion September 18, 2015
  – Final Completion September 18, 2016
• 2.7 Billion Gallons of Early Conversion Credits Earned!
QUALITY RESULTS
BUDGET RESULTS

• Design met budget
• Only Owner Directed change orders (0.98%)
• Zero Contractor Claims or Disputes
• Credit back to SJRA at the end of project
FINANCIAL RESULTS

Contracted Amount: $190,704,740.00
Change Orders: $1,871,028.00*
Estimate to Complete: $192,575,768.00
Final Invoiced: $192,575,354.83
Percent Complete: 100%
Closeout Credit: ($413.17)

*Owner Directed Change
FINANCIAL PARTNERSHIP WITH TWDB

- **Water Infrastructure Fund (WIF) Loan**
  - $21.5 M loan from TWDB
  - 11/24/09

- **Texas Water Development Fund II (DFund) Loan**
  - $175 M loan from TWDB
  - 6/8/12

- **Texas Water Development Fund II (DFund) Loan**
  - $165 M loan from TWDB
  - 10/15/12

- **Texas Water Development Fund II (DFund) Loan**
  - $39.85 M loan from TWDB
  - 12/14/11

- **Open Market Bonds**
  - $83.433 M Open Market Issue
  - 6/16/12