Buckman Direct Diversion Project

A joint regional project of the City of Santa Fe and Santa Fe County to build a reliable and sustainable water supply.

MEMORANDUM

Date: February 21, 2012

To: Buckman Direct Diversion Board

From: Rick Carpenter, BDD Project Manager

Subject: Review of BDD Capital Carry-Forward Budget

BACKGROUND

The BDD Board has approved the $216.34 million capital budget for the Project. Construction was competed in December of 2011 and BDD staff assumed operations of the facility in May of 2011. Therefore, because most of the expenses against this budget have already been incurred or will not be further billed, the capital budget is being closed out. However, a small number of approved budget line items in the capital budget must be carried forward either because they are necessary and on-going work efforts (e.g., warranty and repair work), and/or because the BDD Board is required to carry out certain tasks pursuant to regulatory mandates (e.g., NEPA EIS, Endangered Species Act compliance, permit compliance, or habitat mitigation/restoration). It is important to emphasize that these line items have already been approved by the BDD Board as part of the capital budget and would simply be carried forward following the close-out of the capital budget, and then implemented through an estimated date of completion (June 30, 2014) – these are not new capital expenditures.

Necessary and on-going work efforts (i.e., the Owners' Agent contract) total up to $233.566 (see attached memo for more detail). Regulatory mandate work efforts total up to $1,183,500. Given variability and uncertainty associated with this type of work, staff is also recommending a contingency of 10%, or $141,706 (10% is at the lower end of the industry norm). Therefore, the total budget that is being requested by staff to carry forward is $1,558,772 (see attached).

RECOMMENDATION

Staff is requesting approval of the carry-forward budget in the total amount of $1,558,772.

February 21, 2012

Buckman Direct Diversion Project
Capital Budget: "Carry Forward Schedule"
Required/On-going Project Efforts Estimated to Continue Through June 30, 2014

VENDOR EXPENDITURES		
BDD Board Engineer (CDM, Inc.) (See attached memo for details)	Total Remaining on Contract Unused Budget **Required/Ongoing Tasks**	$319,729 ($86,163) **$233,566**
Required/Approved EIS/ESA/Habitat		
Habitat Mitigation Plan Implementation		$975,000
Parametrix		$60,000
Harwood Consulting		$35,000
SWCA Resource Surveys		$10,000
BLM Coordination and Monitoring		$31,500
USFS Coordination and Monitoring		$72,000
Total EIS/ESA/Habitat		**$1,183,500**
Contingency 10%		$141,706
TOTAL CARRY FORWARD SCHEDULE		**$1,558,772**

CDM Smith

Memorandum

To: *Rick Carpenter – BDD Project Manager*

From: *Mark Ryan – CDM Smith Project Manager*
Paul Karas – CDM Smith Client Service Manager

Date: *January 24, 2012*

Subject: *BDD Project – CDM Smith Budget and Remaining Tasks*

The BDD Project has achieved numerous milestones in the past year. As such, CDM Smith Inc. (CDM Smith) has completed the authorized scope of work for a number of tasks under our agreement with the BDD Board. However, work remains to be completed under several other authorized tasks to address remaining facility warranty issues and to complete O&M support, database implementation, required surveys and related work for project completion. This memorandum provides a summary of completed tasks with budget remaining and ongoing tasks with remaining work to be completed by CDM Smith.

Completed Tasks

Tasks with work completed and remaining unused budget are shown in the following table.

Task	Title	Unused Budget
E7	Additional Fed Legislative Support	$ 17,904
E11	Assist with LC Water Supply Alternatives	$ 4,047
E13	Assist with PNM Rebate Program	$ 618
E14	Assist with BS3/4 Parallel Pipeline	$ 1,386
E15	Monitoring BS3/4 Parallel Pipeline	$ 48,735
E16	Monitoring and Reporting Water Quality	$ 13,473
Total		**$ 86,163**

The above tasks have been closed for work by CDM Smith and the unused budget should be removed from CDM Smith's contract amount.

Remaining Work to be Completed

In order to complete the implementation of the BDD Project, it is important that CDM Smith complete a number of important tasks. These tasks, and the approximate remaining budgets, are shown in the following table.

Task	Title	Remaining Budget*
D3	Construction Monitoring and Special Inspection	$51,652
D4	Operations & Maintenance Assistance	$62,692
E12	Document Control Database	$2,000
E17	Expanded Aquatic/Geo Surveys	$117,222
Total		**$233,566**

*Approximate remaining budget as of January 14, 2012

Under Task D3 CDM Smith is providing services related to monitoring the DB Contractor's execution of warranty work, addressing BDD staff process questions and issues, and assisting BDD with the Las Campanas BS2A connection project. This task is expected to continue through June 1, 2012.

Under Task D4 CDM Smith is working with the BDD staff in identifying and tracking DB Contractor issues during the warranty period, assisting with anniversary warranty inspections, handling of new training materials, assisting with Santa Fe Community College training closeout, and assisting with preparation of the BDD vulnerability assessment report.

Under Task E12 CDM Smith will be completing the loading, testing and training of the Document Control Database for BDD document archiving.

Under Task E17 CDM Smith is performing quarterly aquatic/geomorphological surveys of the Rio Grande at the BDD diversion area and preparing annual reports for the NPDES permit through September 2013.

Please let us know if you have any questions on these items.