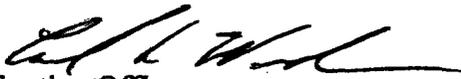


interoffice
MEMORANDUM

CALFED COORDINATION OFFICE

99-B07

to: Peter Jacobsen
CALFED Office

from: Carl L. Werder 
CALFED Coordination Office

subject: Modification to Tehama-Colusa Canal Authority Agreement, CALFED No. 99-B07

date: April 26, 2000

By previous interoffice memorandum dated April 6, 2000, I forwarded to you information concerning Tehama-Colusa Canal Authority's (TCCA) request for a scope of work expansion and re-distribution of the \$1,000,000 award amount. This information included the following documents:

1. TCCA letter dated April 3, 2000.
2. Description of Tasks 4 through 7 from TCCA's PSP 1999 proposal 99-A105.
3. Tables 2a, 2b and 3 from TCCA's proposal.
4. Table 3 showing original proposed, current, and revised cost breakdowns by quarter.
5. Reclamation's letter dated December 30, 1999.
6. TCCA's letter dated December 6, 1999.

As previously stated Reclamation has tried to remain neutral as to this request for a scope change. The reason for this decision is due in part to the process that determined the award amount and scope in the first place. Reclamation did not make these decisions as to the original award and would not want to appear that we have influenced CALFED's decision process. The facts of how this award was determined are a matter of record. The CALFED Integration Panel issued the following statement for why they recommended this project as awarded:

The gates are up at RBDD for approximately 8 months per year to protect the endangered winter-run chinook salmon. A long-term goal for anadromous fisheries is to eliminate the need to lower the gates. This would provide unobstructed upstream and downstream passage year-round for all runs of chinook and other anadromous fish. This proposal on the main stem Sacramento River continues previously funded Phase I feasibility analysis. The integration Panel strongly supported the public participation process associated with this proposal, and supported *partial funding to move the effort through the alternative selection and environmental permitting process (Tasks 1, 2, and 3, up to the EIR process) with the condition of including the City of Red Bluff and boating interests*. It was recommended by the Integration Panel that the implementation planning phase not be funded at this time due to limited funds. The IP *also encouraged additional cost sharing*.

TCCA was advised of the Integration Panel conditions (bold italic wording above) by CALFED in the first paragraph of the award letter dated August 24, 1999. (See attached copy)

With all the information available as to how the tasks for this Phase II work were chosen, a number of questions remain as to why just the first three tasks. The seventh or last task listed by TCCA in their original proposal involves the costs for Project Management of this entire Phase II work. This task is related to time not any one activity as listed by TCCA in their proposal. Was it the intent of the CALFED Integration Panel to force TCCA to acquire cost sharing for their Project Management as originally stated under Task 7 of their proposal? Or was this simply an oversight using the numbers provided without consideration of how the work could be accomplished? Something else to consider is that the total Project Management cost is only 9% of the originally proposed Phase II costs. This request by TCCA for moving \$90,000 from Task 1 to Task 7 seems to be a reasonable request and therefore is recommended by Reclamation.

Under Task 6 as originally proposed TCCA had scheduled this work after completion of Tasks 1 and 4. Under TCCA scope change request they now want to move the start of Task 6 to begin concurrently with Tasks 1 and 4. The question to TCCA would be why is it now necessary to begin this Task 6 prior to completion of Tasks 1 and 4? Task 6 is the Implementation Plan Refinement that, "will be developed for the preferred Alternative." Since Tasks 1 and 4 will not be completed, starting the Implementation Plan on a preferred alternative seems premature. This part of the change as requested needs further consideration and based on the information currently available Reclamation recommends denial of the Task 6 inclusion to the current Agreement.

Another problem that is apparent between Tasks 1 and 4 based on both the original scheduling and quarterly costs is the delay in starting Task 4 after Task 1 has started. Task 1 was originally schedule to expend \$316,667 in the first quarter prior to any costs associated with Task 4 being incurred. Therefore, in looking at the original schedule of expenditures, TCCA would have reach their Agreement award amount of \$1,000,000 on the eight day of the third quarter on only Tasks 1,2,3,4, and 7. TCCA is requesting that \$450,000 be moved from Task 1 to Task 4 leaving only \$400,000 in Task 1. Based on the original proposed scheduled approach it appears that Task 4 should be less. A more reasonable approach would be to reduce Task 1 by \$350,000 leaving \$600,000 and adding Task 7 Project Management as stated above for \$90,000 and placing the remaining \$260,000 in Task 4. This realignment of the available funds will more closely resemble the original proposal for the reduced Agreement amount of \$1,000,000. It is therefore, Reclamation's recommendation that Task 4 be added to the Agreement, but at a lesser amount than that requested by TCCA. (See attached Table)

In summary, Reclamation recommends that only Tasks 4 and 7 from the original proposal be incorporated into the current Agreement between TCCA and Reclamation. However, the amount of budgeted costs taken from Task 1 to maintain the \$1,000,000 Agreement ceiling should be reduced from that requested. Task 1 should remain at a level that will insure substantial progress of the preliminary design of the feasible alternatives.

POC: CALFED Coordination Office, MP-190, attention: Carl L. Werder at (916) 978-5521 or "cwerder@mp.usbr.gov."

Attachments (2)

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