

AGENDA ITEM 11: Delta Flood Risk Management Assessment District Feasibility Study Interagency Agreement and Contract

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Requested Actions: Authorize Executive Director to execute amendments to Interagency Agreement with DWR and associated Contract with M.Cubed

Background: Since July 2015, the Commission has been conducting a Delta Flood Risk Management Assessment District (DFRMAD) Feasibility Study through a contract with a team of consultants led by M.Cubed, a resource economics firm. The Department of Water Resources (DWR) provided the funding for the DFRMAD study through an Interagency Agreement.

The Commission approved the Interagency Agreement with DWR in June 2013 for \$250,000. In 2014, the Commission staff issued a Request for Proposals (RFP) for consultants to conduct the Feasibility Study. Ultimately, the RFP process led to the selection of the M.Cubed team, based on an indication from DWR that the amount of the Interagency Agreement would be increased. In January 2015, the Commission authorized the Executive Director to increase the Interagency Agreement to total \$499,500 (\$475,197 for the M.Cubed contract and approximately \$24,000 to support Commission efforts on the project) and extend the expiration date of the Interagency Agreement to December 31, 2016.

In March 2015, the Commission authorized the Executive Director to execute the consultant contract with M.Cubed. The contract was signed and M.Cubed began work in August 2015, with a schedule that called for four workshops to occur between September 2015 and March 2016, and a completion date of July 31, 2016.

Both DWR and Commission staff presumed that there would be close coordination between the DFRMAD Feasibility Study and the Delta Stewardship Council’s Delta Levee Investment Strategy (DLIS). Specifically, the M.Cubed contract and schedule assumed that portions of the beneficiaries analysis, cost allocation process, and ability to pay methodology would be developed in the DLIS, and that the results would be available for M.Cubed to use in the DFRMAD Feasibility Study.

However, this essential information that was expected from the DLIS is not going to be available. Consequently, the M.Cubed team has been asked to gather data and perform analyses that were not anticipated in the original scope of work and budget. Additional funding is also required because it took more effort and time than anticipated in the original budget to obtain data and prepare memoranda describing the current context of Delta levee funding and legal constraints on financial mechanisms. Further, DWR has requested that M.Cubed develop a more detailed Ability to Pay analysis than was initially envisioned in the original scope of work

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and budget. As a result, the M.Cubed contract will need to be amended for additional time and money to complete the DFRMAD Feasibility Study.

Working with M.Cubed, the Commission staff developed a revised budget and schedule for \$140,688 to complete the Feasibility Study. Staff has prepared a contract amendment that reflects a revised project schedule through September 2016, and extends the contract through December 2016 to facilitate completion of final reports and invoices during the term of the DWR Interagency Agreement.

DWR has agreed to increase the Interagency Agreement by \$160,688 to pay for the \$140,688 contract amendment with M.Cubed, and to provide an additional \$20,000 to support Commission staff work on the project.

Request: Authorize Executive Director to execute the amendment to the DWR Interagency Agreement to increase funding by \$160,688. Authorize Executive Director to execute the amendment to the M.Cubed contract to increase funding by \$140,688 and extend the contract through December 2016.