



M E M O R A N D U M
DEPARTMENT OF PUBLIC WORKS
ENVIRONMENTAL ENGINEERING DIVISION
County of Placer

TO: Board of Supervisors DATE: April 21, 2020
FROM: Ken Grehm, Director of Public Works
By: Brett Storey, Principal Management Analyst
SUBJECT: Environmental Engineering / Award Contracts and Negotiate Terms for Biomass Products / French Meadows Forest Restoration Project

ACTION REQUESTED

1. Reject one bid for Task Order 1 for RFQ 20036 for the French Meadows Tree Thinning qualified list.
2. Approve the awards of the remaining bids for Task Order 1 for RFQ 20036 for the three project implementation agreements listed below to perform the designated work for the 2020 work season for the French Meadows Forest Restoration Project, and authorize the Director of Public Works, or designee, to execute the contracts and any contract change orders up to 10 percent of the individual contract amounts.
 - a) Markit! Forestry Management in the amount of \$330,510 to perform mastication and hand thinning.
 - b) Red Mountain Resource LLC. in the amount of \$65,999 to perform hand thinning
 - c) Robinson Enterprises Inc. in the amount of \$169,560 to perform road work.
3. Approve two agreements with the California Conservation Corps for \$123,700 and \$112,840 to perform hand thinning, reforestation activities and hazard tree removal and authorize the Director of Public Works, or designee, to execute the contracts and any contract change orders up to 10 percent of the individual contract amounts.
4. Authorize the County Executive Officer, or designee, to negotiate and approve terms for the sale of biomass products resulting from the agreements.

BACKGROUND

On January 28, 2020 your Board approved Modification Number 3 to the Supplemental Project Agreement (SPA) with the U.S. Forest Service (USFS) Tahoe National Forest (TNF) to the previously approved Master Stewardship Agreement (MSA) for the French Meadows Forest Restoration Project (Project), which provides authority to perform mechanical forest thinning operations, mastication of smaller trees, and the removal of material for biomass all in a 22,000 acre region that surrounds French Meadows Reservoir as is a part of the Middle Fork Project (MFP) operational area.

In order to ensure a comprehensive procurement process, a two-step process for this project has occurred. The first step was on December 4, 2018, when your Board approved the qualified list for RFQ No. 100062 which identified firms to provide the Project services described above. The second step is the solicitation process with RFQ 20036, the first phase of a 2-step bid solicitation process for the French Meadows Restoration Project 2020 Implementation, released on November 7, 2019. The intent of Phase 1 was to pre-qualify firms to submit priced bids for Phase 2 of the bid solicitation. The three firms on the French Meadows Tree Thinning Qualified List were not required to respond to Phase 1. Six firms responded by the Phase 1 closing date of December 13, 2019. All Statements of Qualifications were evaluated in accordance with criteria published in the solicitation. Four firms received the minimum total points required for the pre-qualification questions and references and were therefore deemed qualified to submit priced bids for Phase 2 of the bid solicitation.

Bids were received from four the seven Contractors on April 3, 2020. Bid responses were evaluated on a line item basis and unit prices were compared with the County's estimates. The low bid prices for twenty-six items were within the County's estimates, while bid prices for the remaining thirteen line items by Robinson Enterprises exceeded the County's estimates.

Staff is requesting that your Board reject thirteen bid responses from Robinson Enterprises Inc. for the original bid solicitation, award twenty-three bid items to Markit! Forestry Management, two bid items to Red Mountain Resource LLC. and award the road work to Robinson Enterprises, Inc.

As a part of the funding for this Project, the timber that is harvested by our contractors will be sold to Sierra Pacific Industries (SPI), which owns and operates the only two mills that are within practical driving distance of the Project. Larger logs will be brought to the Lincoln mill and smaller logs will be brought to the Oroville mill to be developed into lumber products. In 2019 a two-year agreement with SPI was signed and therefore still valid for this season. The biomass produced will be sold to Rio Bravo, Rocklin, SPI, or another regional facility to create renewable electricity for the region. Your Board's requested action today includes authority for the County Executive Officer, or designee, to negotiate and approve terms for the sale of biomass products at market rates to those entities.

The cost of producing these products is greater than what they can be sold for at market rates during this operational season; however, any revenue realized will be used to partially defer the cost of the Project. The County's forester consultant and TNF staff will review the terms and, along with County Counsel, ensure appropriate value is realized.

Additionally, the Project has been awarded three California state grants worth approximately \$5,250,000. Certain work contained in Modification Number 3 can be performed by the California Conservation Corps (CCC). This is consistent with the both the grant agreements and our procurement policies as procurement requests in those areas yielded no successful bids last year. They are mainly remote hand thinning areas where equipment cannot be used either due to the slope or environmental regulations. Two separate agreements have been developed to support that work which are before your Board to consider today. One of the CCC agreements will be a cost share whereby 50% of the cost will be covered by CCC, the other, which is a more highly trained crew, is standard and both are within the projected budget allocations for those acres. More solicitations will be performed this year and brought to the BOS for approval to try and accommodate all the proposed work on the Project.

An estimated summary of secured and authorized funds that will be utilized to complete this Modification Number 3 is below (more funds are available if needed):

Timber Receipts	\$3,500,000
Cal Fire funding (via Sierra Nevada Conservancy (SNC) Agreement)	\$1,208,000
MFP	\$375,000
USFS/TNF SPA	\$370,000
SNC Grant	\$349,500
Biomass Receipts	\$150,000
The Nature Conservancy (TNC) Agreement	\$47,500
Total	\$6,000,000

As a final note the State Public Health Officer developed a list of "Essential Critical Infrastructure Workers" during this health crisis and the list includes fire mitigation activities, workers who support the manufacture and distribution of forest products and vegetation management crews.

In order to move forward with the 2020 work for the Project, Staff recommends that your Board reject Robinson Enterprises, Inc. mechanical thinning bid and approve the Markit! Forestry Management, Red Mountain Resource LLC Robinson Enterprises, Inc. road work, and California Conservation Corps agreements and authorize the Director of Public Works, or designee, to execute the contracts and change orders up to 10%, and authorize the County Executive Officer, or designee, to negotiate and approve terms for the sale of biomass products as identified above. Copies of subject agreements are on file with the Clerk of the Board.

ENVIRONMENTAL IMPACT

Two Notices Of Exemption (NOE) were filed for this Project: 1) The Project is consistent with CEQA Guidelines Section 15308 (Class 8 CEQA Categorical Exemption: Actions by Regulatory Agencies for Protection of the Environment) because it is an action authorized by the Placer County Grading Ordinance that will help assure the maintenance, restoration, enhancement, or protection of the environment, and the regulatory process involves procedures for protection of the environment. This exemption was filed on December 21, 2018; and 2) The Project is consistent with Senate Bill (SB) 901. SB 901 provides that until January 1, 2023, CEQA would not apply to prescribed fire, thinning, or fuel reduction projects undertaken on federal lands to reduce the risk of high-severity wildfire that have been reviewed under the National Environmental Policy Act (NEPA). This exemption was filed on January 24, 2019. The NEPA Decision Notice for the French Meadows Restoration Project was signed by the TNF Forest Supervisor on December 12, 2018.

FISCAL IMPACT

Access to the approximately \$6,000,000 in secured funding will be available from multiple sources (USFS SPA, Cal Fire grant - available via the SNC, TNC Agreement, MFP funds, SNC grant along with timber and biomass receipts) on a reimbursable basis to use during the 2020 implementation season. The grant funding for MFP nexus projects is budgeted in the Community and Agency Support appropriation during each fiscal year based on planned use.

ATTACHMENTS

None

On file with Clerk of the Board: Agreements

