



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: June 9, 2020
FROM: Ken Grehm, Director of Public Works
By: Brett Storey, Principal Management Analyst
SUBJECT: Environmental Engineering / Award Contracts / French Meadows Forest Restoration Project

ACTION REQUESTED

1. Reject 2 bids for Task Order 2 for RFQ 20036 for the French Meadows Tree Thinning qualified list and the qualified online Bids and Tenders roads list.
2. Approve the awards of the remaining bids for Task Order 2 for RFQ 20036 for the three project implementation agreements listed below to perform the designated work during 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 in compliance with the Public Contract Code up to 10 percent of the individual contract amounts.
 - a) Red Mtn. Resource LLC in the amount of \$91,378 to perform small tree thinning.
 - b) Markit! Forestry Management LLC in the amount of \$63,163 to perform mastication.
 - c) Robinson Enterprises, Inc. in the amount of \$344,155 to perform road work.
3. Approve a budget revision in the FY 2019/20 Community & Agency Support Budget to increase both revenue and expenditure and authority by \$498,696 for these contracts.

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 it is a part of the Middle Fork Project (MFP) operational area.

On April 21 after the first round of procurement on the 2020 operations for this Project, your Board awarded agreements to three contractors covering 26 work items and rejected another 13 work items as they were above the County budget estimates. Staff refined the remaining scope of work to add clarity and definition and then resolicited bids for the work items that exceeded the County's estimates. In order to allow for more defined bidding packages, staff released the remaining scope in two packages; one for all forestry operations units and work items to the seven qualified tree thinning contractors, and a second package including only forest road work to that same group plus other qualified road contractors.

The Forestry related bids were received from three of the seven contractors on May 18, 2020. Bid responses were evaluated on a work item basis and unit prices were compared with the County's estimates. The low bid prices for a number of work items were within the County's estimates, while bid prices for the remaining number of work items by contractors exceeded the County's estimates. Forestry road related bids were only received from two contractors and a majority of work items were within County budget estimate ranges.

Staff is requesting that your Board reject two bid responses, one each from Robinson Enterprises, Inc. and Aspen Developers Corp. for the road work bid solicitation, award three forestry bid items to Red Mtn. Resource LLC, one bid item to Markit! Forestry Management LLC, and award three items of road work to Robinson Enterprises, Inc.

As a part of the funding for this Project, the timber harvested by our contractors will be sold to Sierra Pacific Industries (SPI), which owns and operates the only two mills 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. Agreements with biomass operator facilities will be in place prior to any delivery.

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.

More solicitations will be performed this year and brought to your Board for approval to attempt to accommodate all the proposed work on the Project.

An estimated summary of secured and authorized funds that will be utilized to complete the 2020 work on this Project 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

In order to move forward with the 2020 work for the Project, Staff recommends that your Board reject bids from Robinson Enterprises Inc. and Aspen Developers Corp. for road work and approve the award of bids to Red Mtn. Resource LLC, Markit! Forestry Management LLC, and Robinson Enterprises, Inc., approve the on-file contracts for the approved bids, and authorize the Director of Public Works, or designee, to execute the contracts and change orders up to 10%. Copies of subject contracts 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 wildlife 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

If all 2020 work is awarded, 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. To date, a total of \$1,301,305 has been awarded, including the \$498,696 of this item. "The grant funding for MFP nexus projects is budgeted in the Community and Agency Support appropriation during each fiscal year based on planned use" and a budget revision is requested to increase both revenue and expenditure authority for these contracts.

ATTACHMENTS

None

On file with Clerk of the Board: Red Mtn. Resource LLC Contract
Markit! Forestry Management LLC Contract
Robinson Enterprises, Inc. Contract

