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of Engineers
New York District



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New York and New Jersey Harbor

One estuary, One port, One vision



AAPA-Corps of Engineers Project Managers Workshop, Portland, OR
October 11-12, 2006

Panel: The New Contracting Environment: Recent Lessons Learned
William F. Slezak, P.E., Chief, Harbor Programs Branch



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The New Contracting Environment: Recent Lessons Learned

Overview of Presentation

- Review of schedule and status of the NY/NJ Harbor Deeping Project
- Types of contracts utilized
- Experience with New Continuing Contract Clause
- How NAN is addressing contractor concerns – short-term and long-term



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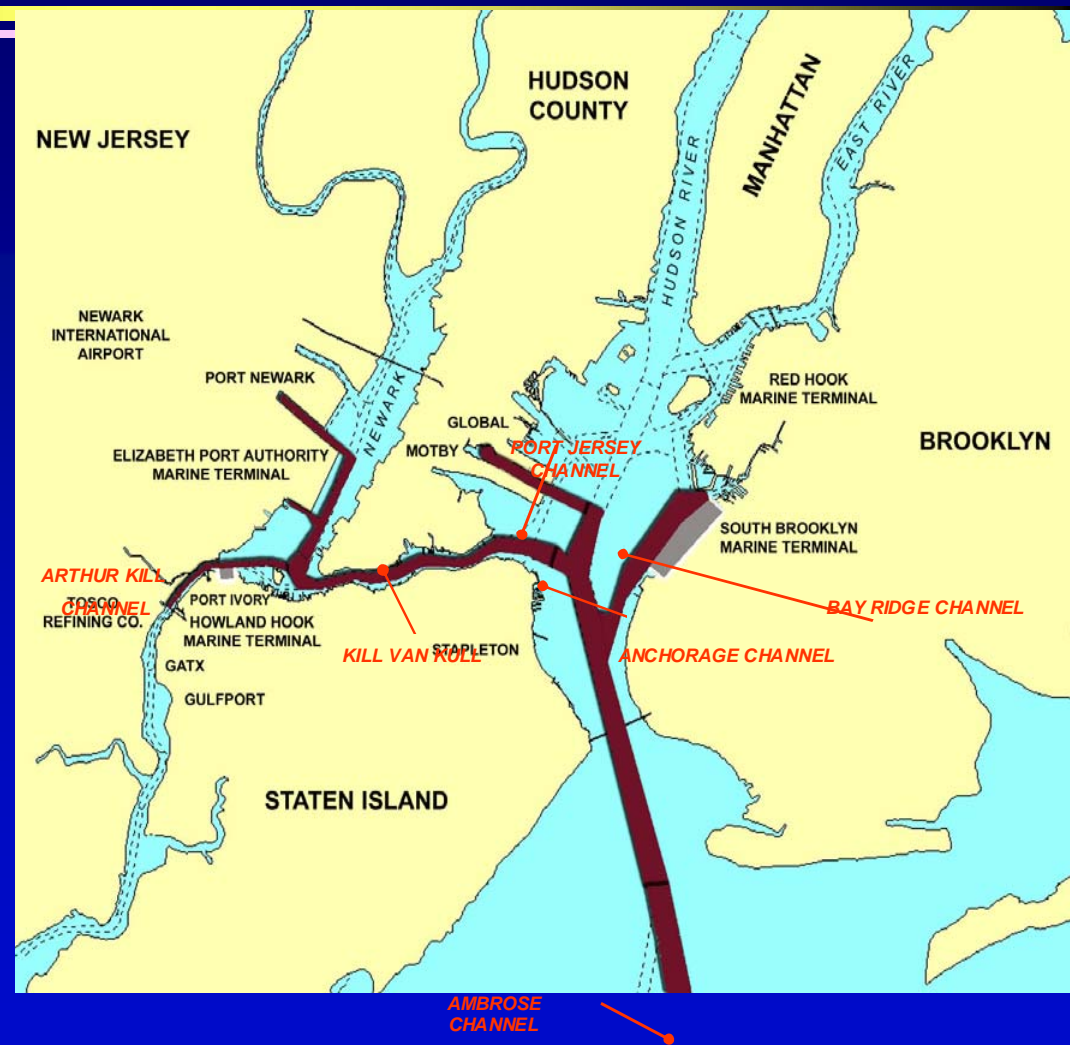
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Interim Deepening Projects:

- ◆ Kill Van Kull & Newark Bay Channels (45 ft)
 - ◆ Cost Sharing Agreement signed - 1999
 - ◆ Cost: \$300 million (8 dredging contracts)
 - ◆ Completed: Nov 2004
- ◆ Arthur Kill Channel (41/40 feet)
 - ◆ Cost Sharing Agreement signed- 2001
 - ◆ Cost: \$200 million (4 dredging contracts)
 - ◆ Scheduled completion (41 ft): Dec 2006
- ◆ Port Jersey Channel (41 feet)
 - ◆ Cost Sharing Agreement signed- 2002
 - ◆ Cost: \$110 million (3 dredging contracts)
 - ◆ Scheduled completion: August 2007

50 Ft Deepening Project:

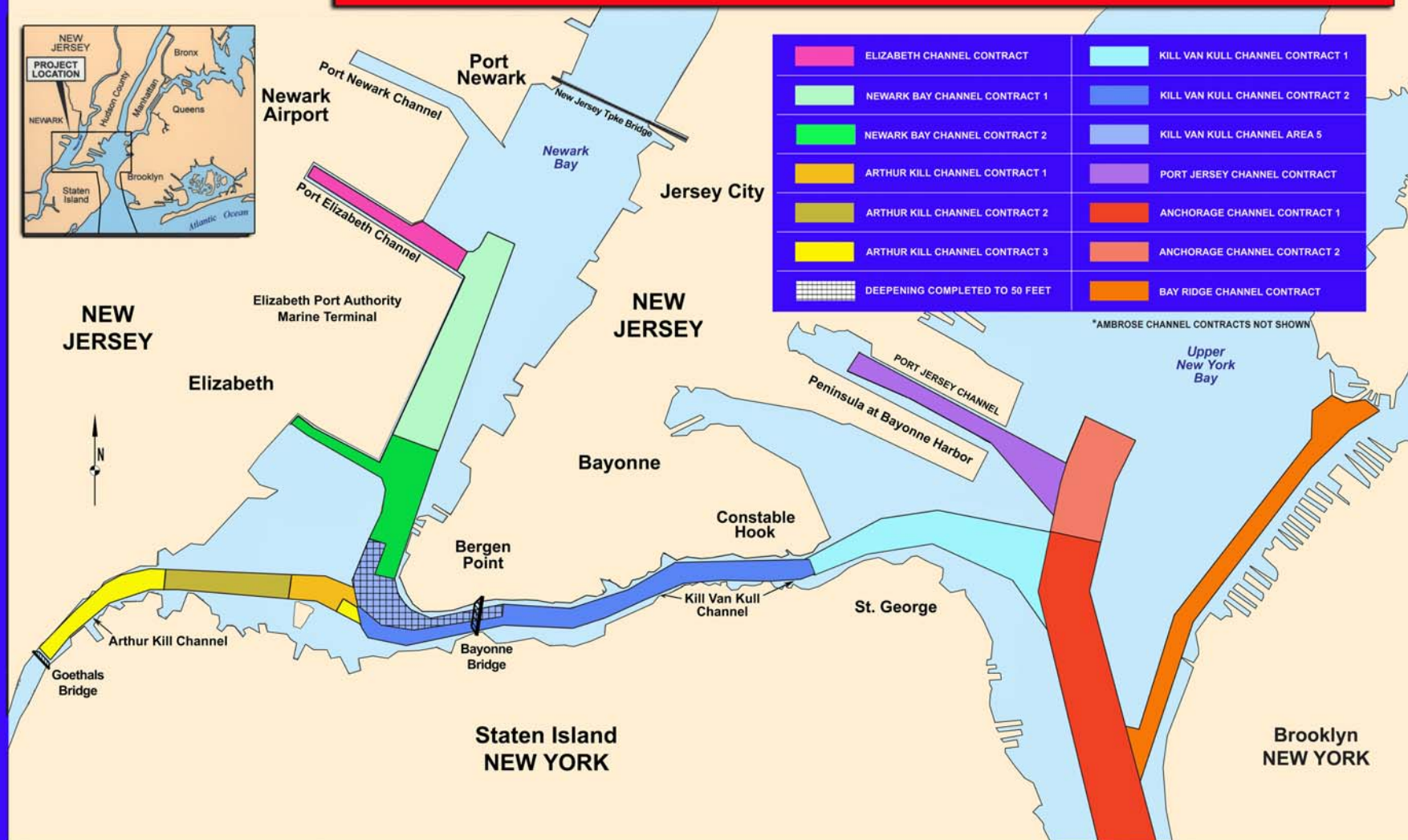
- ◆ Cost Sharing Agreement signed- May 04
- ◆ Cost: \$1.6 billion (16 contracts)
- ◆ Scheduled completion: FY 2013



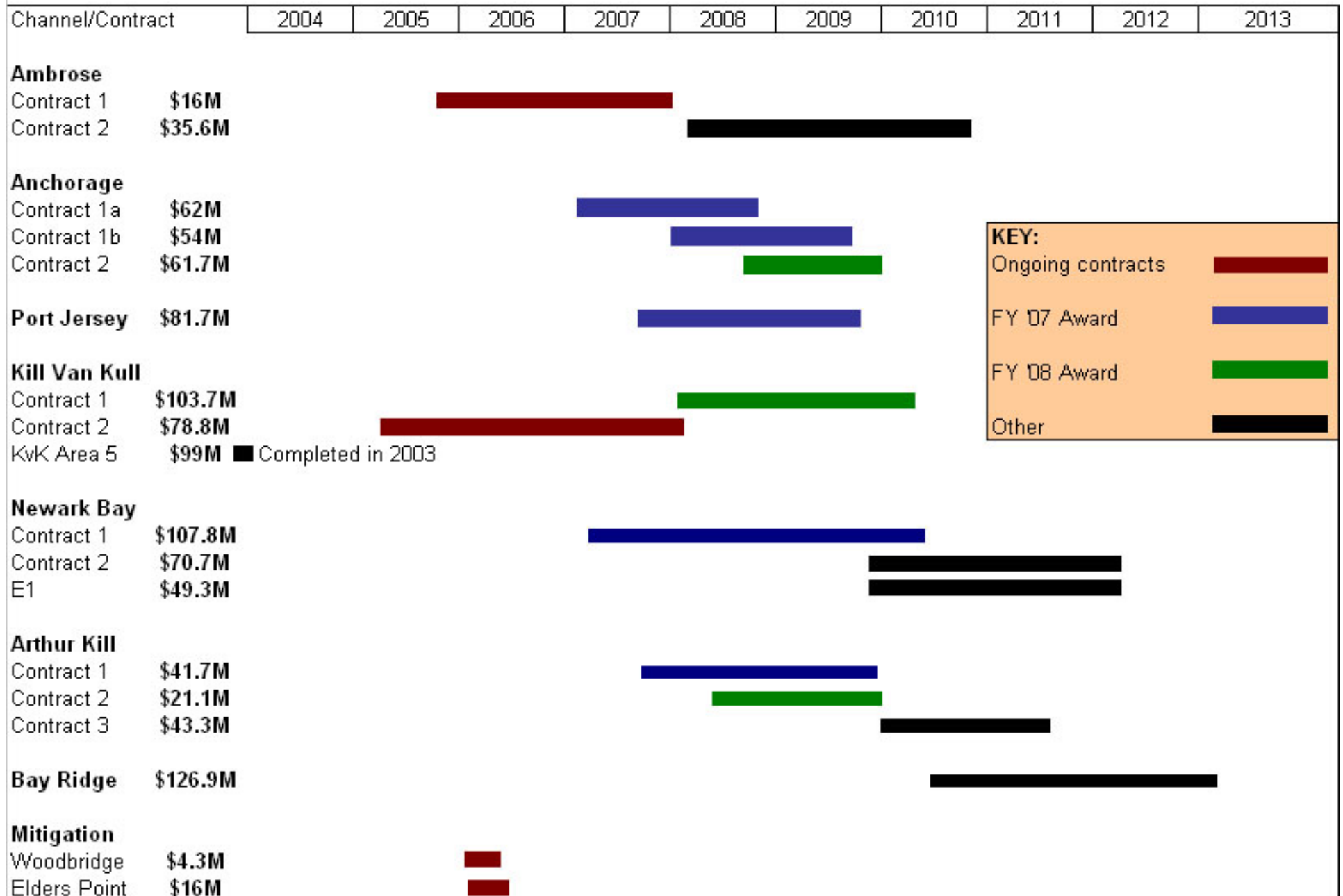


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NEW YORK AND NEW JERSEY 50' HARBOR DEEPENING PROJECT



New York and New Jersey Harbor (50 Foot) Construction Schedule





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Anchorage Channel 1 a

- Originally advertised as Continuing Contract utilizing old clause.
- During advertisement, new clause came out and it was included in solicitation as amendment.
- Bid protest received from Great Lakes regarding new clause
- NAN decided to delete continuing contract clause and resolicit as a Base bid plus a series of options that could be exercised as funds became available.
- Solicitation also included an option for up to 60 days of “Stand By Time”, in the event funds were not available (but expected) to award an option.



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Anchorage Channel 1 a

•Dredging quantities (cy) and Bid Amount:

•Base bid: 285 k	\$18.9 M
•Optional standby time: 60 days	\$.5 M
•Option 8: 228 k	\$12.5 M
•Option 9: 182 k	\$ 5.0 M
•Option 10: 169 k	\$ 9.3 M
•Option 11: 158 k	\$ 8.7 M
•Option 12: 125 k	\$ 6.9 M
• <u>Option 13: 158 k</u>	<u>\$ 1.5 M</u>

•TOTALS	1,305 k	\$ 62.5 M
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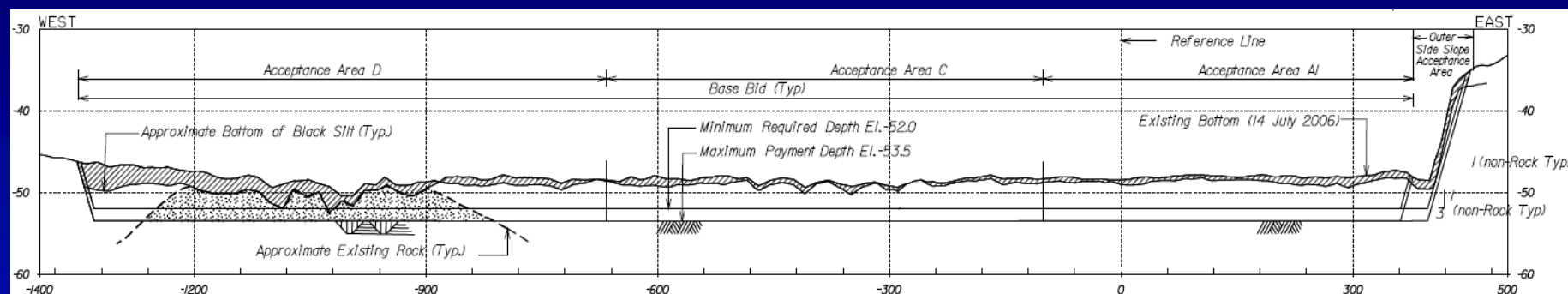
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S-NB-1



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Sample Cross Section



Volume
(cy)

Silt	536,000
HARS	1,757,000
Rock	129,000



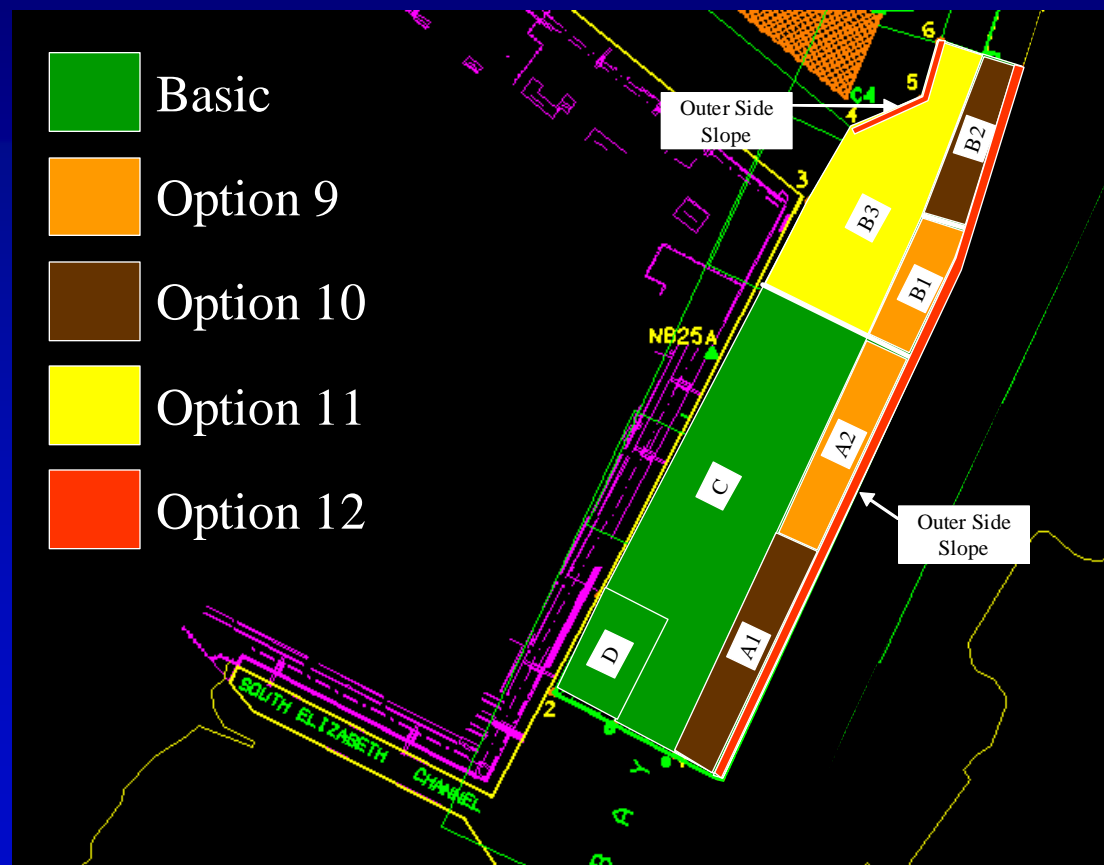
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Newark Bay (S-NB-1) Contract





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The New Contracting Environment: Summary

- ◆ Continuing Contracts have been effectively utilized in New York for the many large multi-year dredging contracts required for the Deepening project.
- ◆ Used correctly, they provide the opportunity for intensive program management and the most effective use of both federal and sponsor funds.
- ◆ Base Bid plus options provides a means to keep some of the efficiency of large multi-year dredging contracts. However, they are administratively burdensome and there is less program management flexibility.
- ◆ Standby option – Could this be included with the new Continuing contract clause to reduce the risk to contractors?