



AB 271: Timely, Safe, Expert Construction for the Anderson Dam Project

SUMMARY

Assembly Bill 271 will authorize use of the “best value” method to select the construction contractor for the Anderson Dam Seismic Retrofit Project, instead of a mandated selection of the lowest bidder, and will require use of a skilled and trained workforce.

Federal, state, and local officials have determined that the Leroy Anderson Dam and Reservoir—owned by the Santa Clara Valley Water District (Valley Water)—would be at risk of an uncontrolled release of water in the event of a large earthquake, which could inundate cities and rural areas from San Francisco Bay south to Monterey Bay, including much of Silicon Valley.

Expert construction is critical for a project of this size and complexity. “Best Value” is a procurement process that allows a public agency to select contractors based on objective criteria for evaluating the qualifications of bidders, rather than the lowest price, with the resulting selection providing the best combination of price and qualifications. Under current California law, Valley Water must select the contractor offering the lowest bid rather than the best value. Because of the size and complexity of the Anderson Project, Valley Water needs authorization in state law to award the contract to the most qualified bidder. “Best value” selection of the construction contractor will help ensure the best combination of price, expertise, and value for the Anderson Dam project.

BACKGROUND

Critical Dam Safety Project for Silicon Valley - The Anderson Dam Seismic Retrofit Project will remove and replace most of the existing dam, and will include significant downstream environmental enhancements. It is a complex project to protect lives and property from dam failure, reduce flood risk for downstream communities, and restore Anderson Reservoir’s supply of clean, safe drinking water for the region. The project is estimated to cost \$576 million and create 5,400 jobs.

Built in 1950 to the safety standards of the day, Anderson Dam would not withstand a large earthquake on the nearby Calaveras and Coyote Creek faults. A breach of the dam at full capacity would have catastrophic consequences for life and property, inundating an area with 450,000 residents and thousands of job creating Silicon Valley businesses. The inundation zone extends more than 30 miles northwest to San Francisco Bay, including the cities of San José, Santa Clara, Sunnyvale, Milpitas, and more than 40 miles southeast to Monterey Bay, including the cities of Morgan Hill, Gilroy, and Watsonville.

Dam Safety Experts Recommend Best Value Contractor Selection for the Anderson Project - The independent Board of Consultants, convened pursuant to the Federal Energy Regulatory Commission process and consisting of some of the nation’s foremost dam safety experts, has recommended the “best value” method of contractor selection for the Anderson Dam project due



Maximum Flood Area from Anderson Dam Failure

to its complex design, delivery, and installation. Other major surface storage projects in California are already authorized for best value contractor selection, and doing so for the Anderson Dam project is in keeping with construction industry practices and is prudent for a project of this scale and importance.

SOLUTION

This bill will authorize Valley Water to use the “best value” method to select the construction contractor for the Anderson Dam Seismic Retrofit Project and will require a skilled and trained workforce to ensure expert construction. Using “best value” will allow the safest and best overall value for the removal and replacement of Silicon Valley’s largest and most critical local water storage facility.

SUPPORT

Valley Water (Sponsor)

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