



EAA Reservoir

Barnard-Parsons Joint Venture Agreement (BPJV)

May 15, 2008



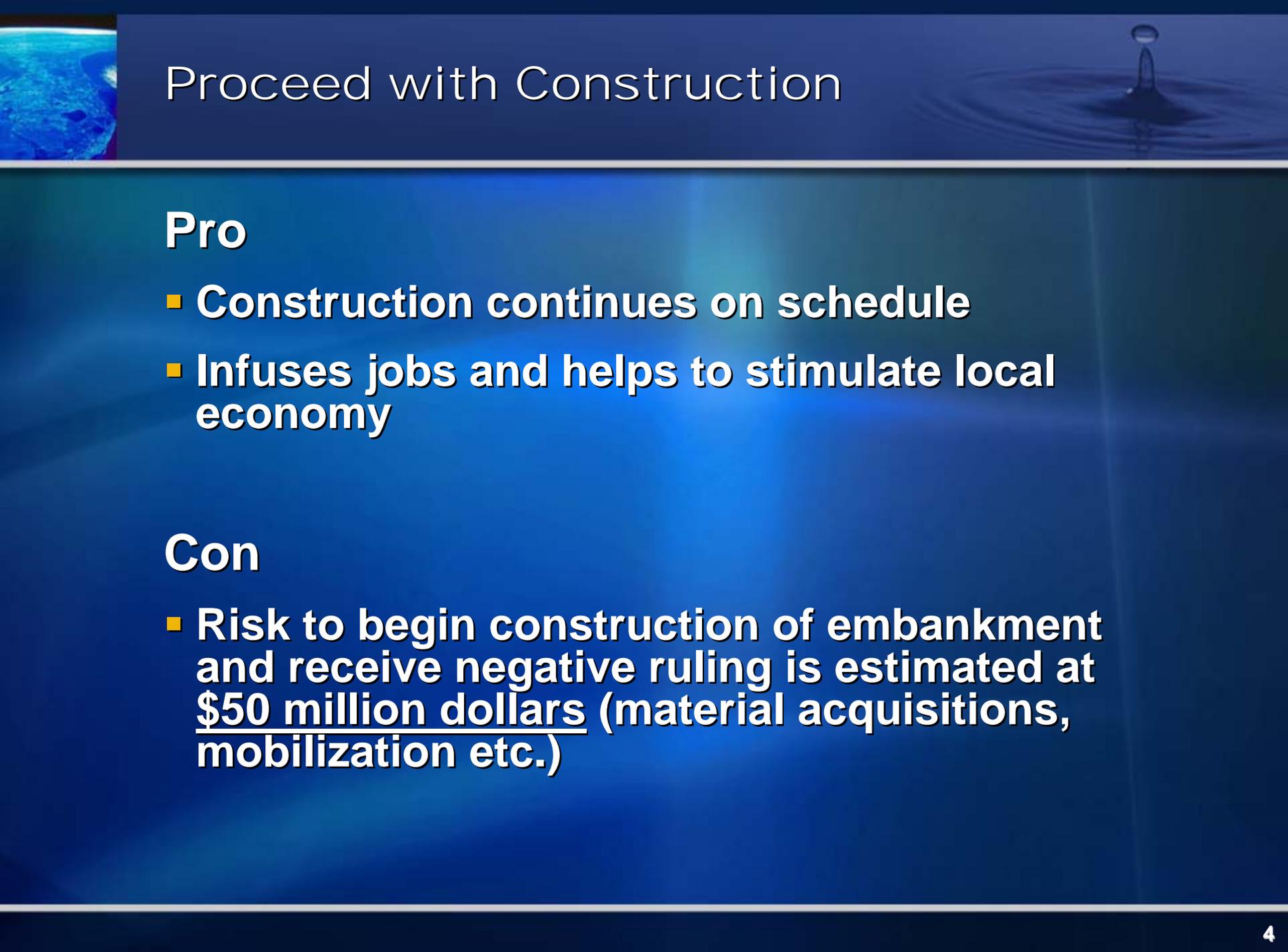
Current Status

- **The seepage canal construction will be completed by the end of May (GMP #1 and GMP #3).**
- **The Rock Crushing Plant has produced enough material to reach capacity at the designated staging areas within the next few weeks (GMP #2).**
- **The litigation with the Natural Resource Defense Council is unresolved, but mediation should occur in the next few months.**
- **Embankment construction represents the largest component of the overall project (\$331 million), but has not been executed.**



Options for Consideration

- **Proceed with Construction**
- **Terminate for Convenience**
- **Suspend for Convenience**



Proceed with Construction

Pro

- **Construction continues on schedule**
- **Infuses jobs and helps to stimulate local economy**

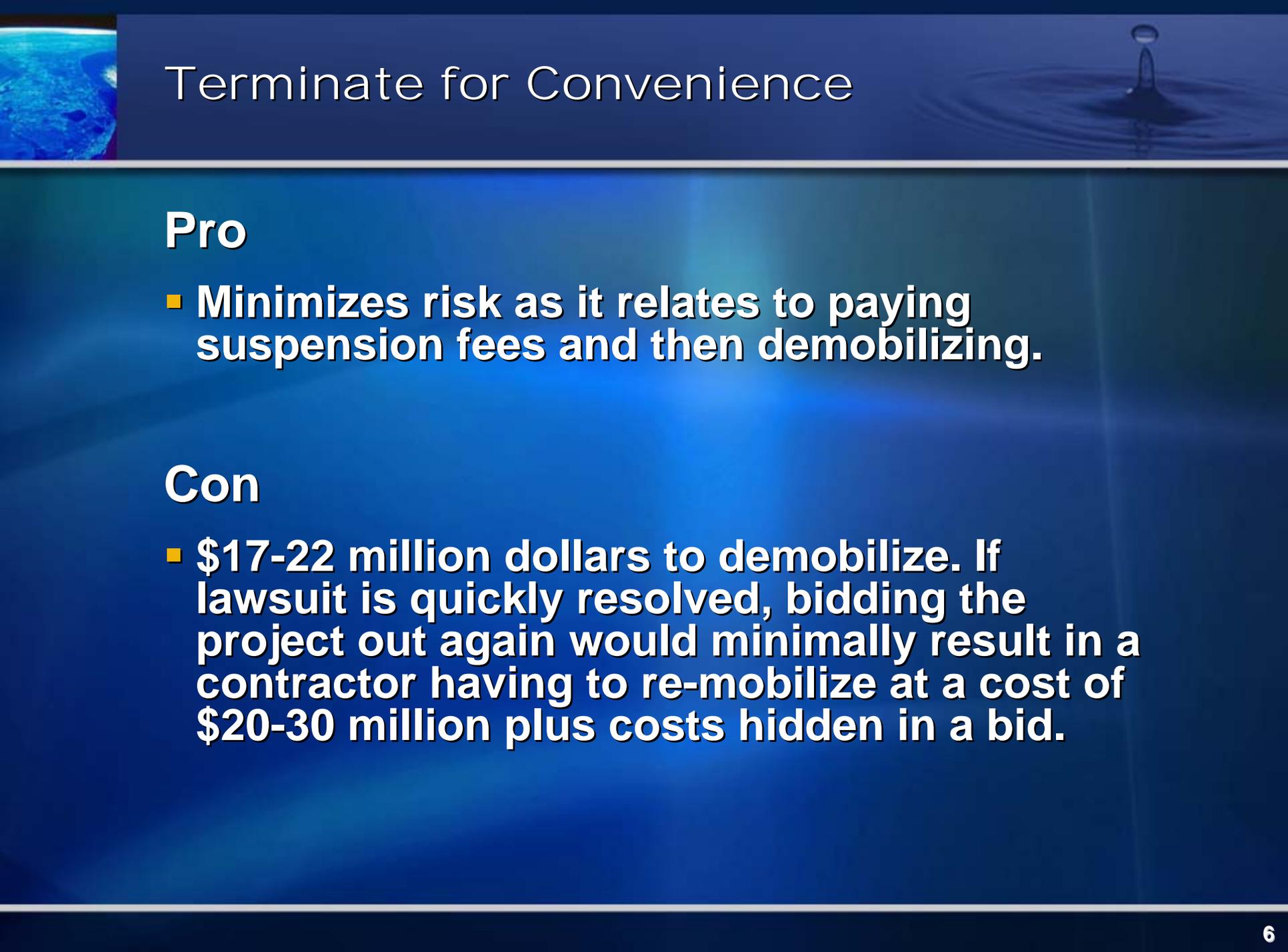
Con

- **Risk to begin construction of embankment and receive negative ruling is estimated at \$50 million dollars (material acquisitions, mobilization etc.)**



Terminate for Convenience

- **DISTRICT may terminate this Contract in whole or in part for its convenience.**
- **DISTRICT may take over contractor's materials, supplies, equipment, sub-agreements or other obligations to complete the Work.**
- **CMR shall be paid for reasonable termination settlement costs relating to expenses and commitments which had become firm prior to the termination. Payment to CMR will exclude any and all anticipated supplemental costs, administrative expenses overhead and profit on uncompleted Work.**
- **The District estimates that the cost to the District in the event this contract is terminated in whole is \$17-22 million dollars (demobilization).**



Terminate for Convenience

Pro

- **Minimizes risk as it relates to paying suspension fees and then demobilizing.**

Con

- **\$17-22 million dollars to demobilize. If lawsuit is quickly resolved, bidding the project out again would minimally result in a contractor having to re-mobilize at a cost of \$20-30 million plus costs hidden in a bid.**



Suspend for Convenience

- **The District may, at any time, order contractor to stop, delay or interrupt Work for such a period of time as District may deem appropriate.**
- **An adjustment may be made for documented increases in the cost of performance of this Contract necessarily caused by the suspension.**
- **BPJV has agreed to a fixed increase in the cost of performance (requires an amendment).**

Suspend for Convenience

Amendment for Consideration

- 1.** BPJV receives \$1.9 million / month as final settlement for suspension.
- 2.** BPJV agrees to hold the price of GMP #4 for six (6) months.
- 3.** Suspension begins June 1st.
- 4.** District agrees to pay \$250 thousand per month for time incurred during suspension if agreement is terminated after being suspended.
- 5.** BPJV may submit a claim for physical work during the suspension, consistent with current provisions in the contract.
- 6.** The District may direct BPJV to conduct work during the suspension if deemed necessary through the claims process.



EAA Reservoir A-1 Construction Contract

- **A RESOLUTION OF THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT APPROVING AN AMENDMENT TO CONTRACT NO. 3600001384 (EVERGLADES AGRICULTURAL AREA RESERVOIR A-1 PROJECT) WITH BARNARD-PARSONS JOINT VENTURE TO SUSPEND CONSTRUCTION OF THE PROJECT; PROVIDING AN EFFECTIVE DATE**