

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve Construction Task Order #6 with **Wildish Building Company** for the **procurement of Construction Services to install Turbine Shutoff Valves.**

Board Meeting Date: March 7, 2017

Project Name/Contract#: Carmen Turbine Shutoff Valve Replacement Mechanical Construction Services – Construction Task Order No. 6 for Contract #002-2011

Primary Contact: Mel Damewood Ext.7145

Purchasing Contact: Sandra Hahn Ext.7163

Contract Amount:

Original Contract Amount: \$1,760,000

Additional \$ Previously Approved: \$ n/a

Invoices over last approval: \$ n/a

Percentage over last approval: n/a

Amount this Request: \$1,760,000

Resulting Cumulative Total: \$1,760,000

Contracting Method:

Method of Solicitation: CM/GC - Guaranteed Maximum Price

If applicable, basis for exemption: 5-0680 (5) Construction Manager/General Contractor
Alternative Procurement

Term of Agreement: Through December 15, 2017

Option to Renew? No

Approval for purchases “as needed” for the life of the contract No

Proposals/Bids Received (Range): n/a

Selection Basis: Guaranteed Maximum Price

Narrative:

Construction Manager/General Contractor Task Order

In 2011, EWEB entered into a Construction Manager/General Contractor (CM/GC) contract with Wildish Building Company to oversee construction of improvements at EWEB’s Carmen hydroelectric project. Under the contract, Wildish provides the following services:

- Review and comment on preliminary designs
- Recommend design changes to improve value
- Prepare construction cost estimates
- Competitively solicit bids for construction work, in accordance with EWEB procurement rules
- Prepare a Guaranteed Maximum Price for construction work
- Oversee and coordinate construction work

The CM/GC contract allows Wildish to submit bids on a task order basis, Wildish may self-perform or sub-contract for the work.

The Guaranteed Maximum Price (GMP), once agreed to by EWEB, is the contract amount for any given construction project. The following are components of the GMP:

- The base cost of the construction work, established through a competitive bidding process
- The CM/GC construction fee, which is a negotiated percentage of the base construction cost
- Bonds and insurance, which is a negotiated percentage of the base construction cost
- General conditions costs, which is a negotiated cost for project management and items such as job trailers, fencing, and traffic control

The latter three items vary based on the size of project, generally decreasing as a percentage of the total cost as the job increases in size.

Turbine Shutoff Valve Replacement

The turbine shutoff valves (TSVs) at the Carmen powerhouse stop water flow to the turbines, protecting the equipment from damage and allowing periodic inspection and repairs. Recent testing revealed that the existing 55-year-old TSVs leak at a rate of approximately 3,400 gallons per minute. Because of this, inspection of the turbines has not been possible for 3 years.

In November 2015, EWEB entered into a contract to purchase two new 9-foot-diameter TSVs for \$1.6 million. This purchase was done through the CM/GC contract. Delivery of the valves is scheduled for early May 2017.

Black & Veatch, consulting engineers for the project, prepared mechanical installation contract documents for bidding. The work includes demolition and removal of the existing TSV's; replacement of both TSVs; installation of steel penstock extensions, steel spiral case extensions, valve actuators, valve closure counterweights, and hydraulic power units; and provision of new ancillary piping and valves. Electrical, instrumentation, and control improvements will be bid separately.

Wildish, through the CM/GC contract, publicly advertised the TSV mechanical installation contract in January 2017. Seven heavy mechanical contractors obtained contract documents for review. Three contractors attended the non-mandatory pre-bid meeting. On February 16, 2017, bids were received from JR Merit, Dix Construction, and Knight Construction.

The engineer's estimate for this work was \$2 million. It is possible that the relatively small amount of work (compared to typical large hydropower projects) discouraged additional large, heavy mechanical contractors from bidding.

In accordance with the CM/GC contract, Wildish will provide overall construction management services. The cost of the bid work plus other components of the GMP brings the GMP and total task order amount to \$1,760,000.

ACTION REQUESTED:

Management requests the Board approve Construction Task Order No. 6 of Contract #002-2011 with Wildish Building Company for Carmen TSV Replacement Mechanical Construction Services. Funds for this work are included in the \$12.96 million budgeted in the Carmen Relicensing CIP for 2017.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Manager: _____

Executive Officer _____

Board Approval Date: _____