

## EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the General Manager to approve a Design-Build Contract with **Alstom Renewable, US LLC**, the hydro division of General Electric Renewable Energy for Design and Construction Services.

Board Meeting Date: January 9, 2018

Project Name/Contract#: 013-2017; Carmen Turbine-Generator Rehabilitation

Primary Contact: Mike McCann Ext. 7379

Purchasing Contact: Sandra Hahn Ext. 7163

### Contract Amount:

Original Contract Amount: \$ 19,750,000

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 19,750,000

**Resulting Cumulative Total:** \$ 19,750,000

### Contracting Method:

Method of Solicitation: Request for Proposals

If applicable, basis for exemption: N/A

Term of Agreement: 4 years (2018 to 2022)

Option to Renew? N/A

Approval for purchases "as needed" for the life of the contract **Yes**   **No**

Proposals/Bids Received (Range): \$19.7 million to \$26.7 million

Selection Basis: Scoring criteria defined in RFP determining best overall value

### Narrative:

The two Carmen Powerhouse turbine-generator units are at the end of their expected life and rehabilitation is required for continued reliable power generation. The Generation Engineering Department requests Board approval for the full rehabilitation of both units.

At the February 2017, Board meeting, staff requested approval to pursue an alternative procurement process and subsequently issued a Request for Proposals (RFP) for the contract in May 2017. The RFP was written for the base scope of a single unit rehabilitation with optional bid items for work on the second unit to complete either a full rehabilitation or life extension repairs. EWEB received four proposals that were evaluated and scored based on pricing, project approach, technical design, and qualifications. Based on favorable pricing and economic and operational risk evaluation by EWEB's engineering, finance and power planning staff, it was determined that rehabilitation of both units provides an opportunity to be cost effective, balance financial risks, comprehensively repair aged equipment and increase unit reliability.

Currently, this project is in the capital improvement plan (CIP) with costs spread throughout most years through 2026. The timing of the proposed approach moves the rehabilitation of the second unit up by five years and decreases expenditures by about \$3 million from the current CIP with costs expected to

end in 2022. These changes will be reflected in the April 2018 CIP update.

The rehabilitation of the generating units, as designed in collaboration with EWEB's consulting engineers and the Contractor, are intended to replace damaged components, increase performance, and improve reliability of the equipment. The work will include design of new turbine-generator components, disassembly of the units, replacement of the existing turbine runners and wicket gates, rewind of the generators, removal of the CO2 fire systems, and inspection/repair of major components.

The highest scored responsive and responsible proposal was received from Alstom Renewable / General Electric Renewable Energy of Greenwood Village, Colorado. Bids were also received from American Hydro Corporation of York, PA, Voith Hydro, Inc. of York, PA, and Gracon, LLC of Loveland, CO. Alstom Renewable earned high marks for experience, as they were acquired by General Electric Renewables in 2015 and between the two entities, they have over 100 years of experience with similar turbine-generator refurbishment work, having designed and installed over 500 retrofitted generators worldwide. In addition, the Alstom proposal offered some of the lowest pricing for the scope of work and options needed, offered a longer warranty period than the other proposers, and submitted solid references. Alstom Renewable offers the best overall value for this project. If approved, Alstom Renewable / General Electric Renewable Energy will provide construction services as specified in the solicitation documents.

**ACTION REQUESTED:**

Management requests the Board to authorize the General Manager to approve a Contract with Alstom Renewable, US LLC for the rehabilitation of Carmen turbine generator units 1 and 2. The 2018 CIP and Budget include \$5.8 million to support this contract. Staff anticipates budgeting the balance of funds needed to complete this work in the years 2018 to 2022.

**SIGNATURES:**

Project Coordinator: \_\_\_\_\_

Manager: \_\_\_\_\_

Purchasing Supervisor: \_\_\_\_\_

Executive Officer: \_\_\_\_\_

Board Approval Date: \_\_\_\_\_