

## **EWEB Board Consent Calendar Request**

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve increasing an existing contract with **Wildish Building Company** for the Carmen-Smith Turbine Shutoff Valve Installation.

Board Meeting Date: September 4, 2018

Project Name/Contract#: Carmen Turbine Shutoff Valve Installation /002-2011 Task Order #6

Primary Contact: Susan Ackerman Ext.7185

Purchasing Contact: Sandra Hahn Ext.7163

### **Contract Amount:**

Original Contract Amount: \$1,756,857

Additional \$ Previously Approved: \$ 0

Invoices over last approval: \$ 0

Percentage over last approval: 20.4 %

Amount this Request: \$ 357,877

**Resulting Cumulative Total:** \$2,115,366

### **Contracting Method:**

Method of Solicitation: CM/GC - Guaranteed Maximum Price (GMP)

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

Alternative Procurement

Term of Agreement: Through November 30, 2018

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:**

#### Operational Requirement and Alignment with Strategic Plan

The turbine shutoff valves (TSV) at Carmen Power Plant require replacement, they have been leaking and are at the end of their useful life, this project is to install the replacement valves.

#### Contracted Goods or Services

Construction activities to replace the Turbine Shutoff Valves at the Carmen Power Plant.

#### Prior Contract Activities

When EWEB initially contracted with Wildish for Task Order #6 in March 2017, there were portions of the necessary project scope that Wildish could not price for lack of information. The outstanding scope items included the electrical/instrumentation/control elements of the TSV project (due to incomplete product data submittals from the TSV supplier which delayed completion of the electrical design) as well as power tunnel repairs (which could not be fully defined until the dewatering/inspection of the tunnel was completed prior to the start of construction). In addition to these major change orders to the original contract scope of work, there have also been other minor change orders. This other change order work has included divers to seal the draft tube gates, concrete pedestals for ancillary equipment, installation of transformers for the hydraulic power units, and installation of pressure relief valves in the power tunnel. In total, change orders to date have totaled \$358,000 or 20% above the contract amount authorized by

the Board in March 2017.

While the change order value to date remains below the 25% threshold that would trigger the need for formal Board review and re-authorization of the contract, there are additional change orders currently under development that will bring the contract value closer to the threshold. While the TSV installation is progressing well and the contractor anticipates completing construction activities on schedule in November, there is still potential that additional change orders would push the contract more than 25% beyond the Board authorized value. In order to minimize the risk of a construction progress delay awaiting Board approval or the need to seek emergency authorization if a change order arises exceeding the max 25% threshold, staff requests that the Board approve the current contract value of \$2,115,000.

Purchasing Process

The contract was initially awarded as a Construction Manager/General Contractor contract for construction services at the Carmen-Smith Hydroelectric Project. After the work is designed, a Guaranteed Maximum Price is negotiated. Staff have negotiated task orders for elements of the work that are ready for construction, when the work exceeds \$150,000 the Board is requested to review and approve the task orders. When change orders on a task exceed 25% of the Board approved amount, Board Policy requires review and approval prior to executing the change orders.

**ACTION REQUESTED:**

Management requests the Board approve an increase to the existing contract with **Wildish Building Company** for the **Carmen Smith Turbine Shutoff Valve Replacement Project** as necessary to permit timely performance of the work and minimize lost generation revenue. Funds for this work were budgeted for 2018 within the overall Carmen-Smith Relicensing Type 3 Capital Budget of \$13.85 million.

**SIGNATURES:**

Project Coordinator: \_\_\_\_\_  
Manager: \_\_\_\_\_  
Purchasing Supervisor: \_\_\_\_\_  
Executive Officer: \_\_\_\_\_  
Board Approval Date: \_\_\_\_\_