

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve additional funds for engineering services for the **Carmen Power Plant Upgrades Project** with **Black & Veatch**.

Board Meeting Date: September 3, 2024
Project Name/Contract #: Engineering & Design Services for Carmen Power Plant Upgrades
Contract 024-2015
Manager: Lisa Krentz Ext. 7450
Executive Officer: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$6,000,000
Additional \$ Previously Approved: \$2,000,000 (April 7, 2020)
Spend over last approval: \$1,047,605
Amount this Request: \$2,000,000
% Increase over last approval: 25%
Resulting Cumulative Total: \$10,000,000

Contracting Method:

Method of Solicitation: Formal Request for Proposal
If applicable, basis for exemption: NA
Term of Agreement: Completion by November 2025
Option to Renew? No
Approval for purchases "as needed": Yes No
Proposals/Bids Received (Range): 2 Proposals / Qualifications only
Selection Basis: Qualifications Based Selection (QBS)
Narrative:

Operational Requirement and Alignment with Strategic Plan

This existing contract with Black & Veatch (B&V) requires renewed Board authorization for additional funding so that B&V can complete their original scope of work to serve as the Engineer of Record for ensuring reliable power generation upgrades at the Carmen-Smith Project. Since their competitive selection in 2015, B&V has played a key role in the planning, design, and construction support for all of the power plant upgrade projects associated with Carmen-Smith Relicensing. With the exception of the second turbine-generator overhaul, all of the major elements of the power plant upgrade work are nearly complete. B&V has developed the technical specifications and provides ongoing support of contractor design reviews, quality assurance, construction oversight, and other power plant-related consultation services.

Black & Veatch's continued expertise through the end of the project is required to maintain construction quality,

minimize delays, and advise EWEB through the resolution of complex project issues. A series of project complications and associated delays unrelated to Black & Veatch performance, has extended the schedule by approximately 3 years; greatly increasing the amount of engineering support needed. The most significant complications triggering scope and schedule changes to B&V's engineering support have included unforeseen supplemental repairs required following detailed post-disassembly inspections, contractor (General Electric) struggles to adequately adhere to the strict quality requirements contained in the project design specifications, and emergent problems that arose during the contractor's performance of the turbine-generator overhaul work. B&V continues to provide critical support to EWEB as we work through final resolution of these types of challenges during this final phase of the power generation system improvements.

Contracted Goods or Services

The services required support the Carmen Powerhouse Turbine Generator Rehabilitation (Contract 013-2017) through its scheduled completion in Summer 2025. The scope includes project management support, review of technical submittals, review of invoices, onsite support, off site support, and closeout support.

Purchasing Process

Staff issued a formal Request for Proposals (RFP) in June, 2015 on EWEB's then bid site. Evaluation criteria included the following:

Project Understanding/Project Approach	50 points
Firm Qualifications and Experience	25 points
Project Team Qualifications and Experience	50 points
Project Management	15 points
Financial Responsibility/Soundness	10 points

Forty (40) companies reviewed the project and seven (7) firms attended the mandatory pre-proposal conference. Proposals were received from Black & Veatch of Lake Oswego, Oregon, and HDR Engineering of Portland, Oregon. After completing the evaluation of the written proposals, the firms were invited to interview. After interviews were completed, Black & Veatch was selected as the highest ranked proposer and was found responsive and responsible.

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
21-140-Q	On-Call Elect/Mech Consulting	NA	12-31-22 to 12-31-24	\$100,000	\$100,000	-
*21-011-Q	IP Switchgear Replacement	4-6-21; 11/2/21; 10/3/23	6-30-23 to 12-31-24	\$350,000	\$826,472	AW
19-052-Q	Cascadia Emergency Preparedness	N/A	12-15-19 to 12-31-20	\$89,000	\$89,000	-

Reason Code: AM = Additional Materials, AW = Additional Work, EW= Emergency Work, SD = Staff Directed, UC = Unforeseen Conditions, Other

*21-011-Q: Additional Work included relay replacements, development of decommissioning procedures and relay settings at downstream substation.

ACTION REQUESTED:

Management requests that the Board approve an increase to the contract with Black & Veatch for consulting engineering support. These power generation engineering support services fall under the umbrella of the originally planned scope of work and approximately \$400,000 has been budgeted for these services under the 2024 Type 3 Capital Improvement Plan for the Carmen-Smith Relicensing Project of \$24 million. The current overall investment projections for the Relicensing Project total \$199 million with approximately \$97 million complete. Variances will be managed within the budget process and Board policy.