

September 24, 2013

**MEMORANDUM TO THE TRUSTEES**

**FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER**

**SUBJECT: Blenheim Gilboa Power Project –  
Security Building and Power Supply –  
Capital Expenditure Authorization and Contract Award**

**SUMMARY**

The Trustees are requested to authorize capital expenditures in the total amount of \$11.45 million to design and construct a new security building, including a new power supply to the spillway and security buildings, at the Blenheim-Gilboa (“B-G”) Power Project. In addition, approval is requested to award a contract, in the amount of \$3.62 million, to Beebe Construction Services, Inc. (“Beebe”) of Utica, N.Y. to construct a new security building and associated site development. The work is scheduled to commence in 2013 and be completed in 2014.

The President and Chief Executive Officer has already authorized \$1,000,000 for preliminary engineering.

**BACKGROUND**

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for procurement contracts involving services to be rendered for a period in excess of one year. Also, in accordance with the Authority’s Expenditure Authorization Procedures, the award of non-personal services or equipment purchase contracts exceeding \$3 million require the Trustees’ approval.

This funding request includes design and construction of site developments, a new security building at the north gate and a new power supply to the spillway and security buildings. The proposed location of the new security building optimizes its location outside the north gate enhancing functionality of the security staff and improving the overall security of the B-G Power Project. In addition to supplying electricity and communications to the new security building, the new power supply will provide highly reliable electric service from the powerhouse station service system to the spillway flood gates, resulting in additional redundancy to operate the tainter gates in extreme emergencies.

The project will be constructed in multiple phases, including installation of a 1.3 mile underground duct bank to bring station service electricity and fiber optic communications from the powerhouse to the spillway and new security buildings. Also included in this funding request are significant upgrades in site fiber optic network and security monitoring equipment that will satisfy present and future North American Electric Reliability Corporation (“NERC”) requirements.

## DISCUSSION

The new Security Building and Power Supply Project includes the following tasks:

1. Engineering and architectural design of site development of the new security building.
2. Engineering and architectural design of new security building.
3. Engineering and design of new power supply to spillway and new security buildings.
4. Engineering and design of fiber optic communications to spillway and security buildings.
5. Engineering and design to upgrade the access road guardrail along spillway embankment.
6. Construction of new security building and associated site development.
7. Construction of power supply to spillway and new security buildings.
8. Construction of upgraded access road guardrail along spillway embankment.
9. Procurement and installation of security monitoring equipment upgrades

The Authority issued a Request for Quotation (“RFQ”) in the New York State *Contract Reporter* and bid packages for the New Security Building and Site Development were available as of July 17, 2013. Seven (7) proposals were received on August 21, 2013.

The proposals were reviewed by an evaluation committee comprising of staff from C&S Engineers (Engineer of Record), B-G plant, Engineering, Procurement, and Project Management.

The Evaluation Committee reviewed in detail the three lowest bids initially submitted and determined that the bid from Beebe was the lowest evaluated technically acceptable bid. Beebe has extensive experience in construction of this magnitude, has demonstrated knowledge of the scope-of-work and is capable of completing this project in a timely manner. The Authority’s experience with Beebe on past projects has been satisfactory. The contract work will be performed from 2013 to 2014.

The total project cost is estimated to be \$11.45 million as follows:

<b>Task</b>	<b>Capital Expenditures</b>
Engineering	\$ 1,102,500
Procurement	\$ 1,207,500
Construction	\$ 6,924,000
Authority Direct Expense	\$ 666,800
Authority Indirect Expense	\$ 545,000
Total:	\$11,445,800

## FISCAL INFORMATION

Payments associated with this project will be made from the Authority’s Capital Fund.

## RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Vice President – Project Management, the Vice President – Procurement, the Vice President – Engineering, the Project Manager, and the Regional Manager – Central New York recommend that the Trustees authorize capital expenditures in the amount of \$11.45 million and approve the award of a contract to Beebe Construction Services, Inc. of Utica, N.Y., in the amount of \$3.62 million for the new security building and power supply project at Blenheim-Gilboa Power Project.

For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

Gil C. Quiniones  
President and Chief Executive Officer

Att.  
BG Security Building and Power Supply Project

**RESOLUTION**

RESOLVED, That pursuant to the Authority’s Expenditure Authorization Procedures, approval is hereby granted to authorize capital expenditures in the amount of \$11.45 million for a new security building and power supply system at the Blenheim-Gilboa Power Project as recommended in the attached memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award a contract to Beebe Construction Services, Inc. in the amount of \$3.62 million to furnish all labor, materials, and equipment to construct a new security building and site development for the Blenheim-Gilboa Power Project.

**CONTRACTOR**

Beebe Construction Services, Inc.  
Utica, N.Y.

**CONTRACT APPROVAL**

\$3.62 million

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.