

Date: July 26, 2016

To: THE TRUSTEES

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: **Procurement (Services) Contracts -
On-Call Engineering Services -
Transmission and Substation Assets -
Contract Award**

SUMMARY

The Trustees are requested to approve the award of a five-year contract for the On-Call Engineering Services Transmission and Substation Assets in the aggregate not-to-exceed amount of \$25 million to the five most technically qualified firms: – AECOM USA, Inc. of New York, NY ("AECOM"), Burns & McDonnell Consultants, Inc. of Wallingford, CT ("B&McD"), CAI Services, P.C. of Jackson, MI ("CAI"), SNC-Lavalin of Rochester, NY ("SNC") and TRC Engineers, Inc. of Liverpool, NY ("TRC")

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.

The Authority's Expenditure Authorization Procedures ("EAPs") require the Trustees' approval for the award of Personal Services contracts in excess of \$1 million and Personal Contracts involving services to be rendered for a period in excess of one year.

With the growing number of infrastructure modernization projects, the Authority has a need to retain engineering firms to support Transmission projects. The following are examples of projects currently identified, both in the near and medium term.

Near Term Projects:

- Western New York Energy Link – a new 345 kV transmission circuit to reduce chronic system congestion that inhibits the most efficient generation resources from meeting inter-zonal needs. This project represents New York State Electric and Gas Corporation ("NYSEG") and the Authority's recommended solution to the New York Independent System Operator's ("NYISO") Public Policy Transmission Need.
- Western New York Phase Angle Regulator – install a 3-phase 230kV, 450MVA phase angle regulator at on Line 69 (or 68, TBD) at National Grid's South Ripley Substation in Western New York. Power flows from PJM in Western New York State have historically caused considerable congestion, driving high real-time pricing in the region.

Mid-Term Projects:

- Northern New York Transmission – The NYISO, Hydro-Quebec and NYPA have identified issues with the Northern NY Transmission system and its ability to support the attainment of the Clean Energy Standard. The northern New York region comprises of a large amount of generation resources including the St. Lawrence project, numerous wind projects and the imports from HQ. This generation supplies local load and the excess is transmitted south to Marcy. Currently the path south to Marcy is constrained and not all of the generation can be delivered. It is expected that the NYISO will solicit for project solutions in 2017.

Based on the planned portfolio of projects sought to be designed, a \$25 million authorization for a five-year term is being requested.

DISCUSSION

In response to the Authority's request for proposal advertised in the New York State *Contract Reporter* on December 21, 2015 (RFQ Q15-6010MH) twenty-nine (29) firms submitted proposals on the bid due date of February 4, 2016.

The scope of work focuses on identifying vendor experience surrounding transmission and substation design, in conjunction with the public licensing of such facilities (i.e. Article XII and X experience). Individual tasks will be assigned by issuance of a Purchase Order Release ("POR") against the established Master Service Agreement ("MSA").

The RFP emphasized the following evaluation criteria:

1. Quantify of Energy Based Staff
2. Ability to meet MWBE Requirements
3. Exceptions and Deviations
4. Article VII/X Experience
5. Voltage Class Experience
6. Engineering Disciplines
7. Substations Design
8. Transmission Design Experience

The five (5) firms selected for award recommendation have the requisite experience in the power and utility industries; successful track records implementing projects of various dollar value, duration and complexity; experience working with City, State or Government agencies; and current or past successful track record working with the Authority.

FISCAL INFORMATION

Services under these contracts will be provided on an as-needed basis and/or availability, using the hourly rates. Payments associated with this project will be made from the Authority's Capital or Operations Fund, as appropriate.

RECOMMENDATION

The Senior Vice President – Technology & Innovation, the Senior Vice President – Transmission, the Senior Vice President – Information Technology, the Vice President – Project

Management, the Vice President – Engineering, the Vice President – Procurement, and the Director – Strategic Operations recommend that the Trustees approve awards of five-year contracts for the On-Call Engineering Services Transmission and Substation Assets in the aggregate not-to-exceed amount of \$25 million s to AECOM, B&McD, CAI, SNC and TRC.

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 Quiniones
President and Chief Executive Officer

RESOLUTION

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures approval is hereby granted to award a five-year Contract for the aggregate total of \$25 million to AECOM USA, Inc. of New York, NY ("AECOM"), Burns & McDonnell Consultants, Inc. of Wallingford, CT ("B&McD"), CAI Services, P.C. of Jackson, MI ("CAI"), SNC-Lavalin of Rochester, NY ("SNC") and TRC Engineers, Inc. of Liverpool, NY ("TRC") as recommended in the foregoing memorandum of the President and Chief Executive Officer

| <u>Contractor</u> | <u>Contract Approval</u> |
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| <ul style="list-style-type: none">• AECOM USA, Inc., New York, NY• Burns & McDonnell Consultants, Inc., Wallingford, CT• CAI Services, P.C., Jackson, MI• SNC-Lavalin, Rochester, NY• TRC Engineers, Inc., Liverpool, NY | <u>\$25 million aggregate</u> |
| (RFQ Q15-6010MH) | |

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.