



Date: July 26, 2016

To: THE TRUSTEES

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: **Procurement (Services) Contract –
SENY 500 MW Power Plant –
Technical Support and Maintenance
Services – Contract Award**

SUMMARY

The Trustees are requested to approve the award of a competitively bid contract to General Electric International, Inc. ("GEII") of Marietta, GA, in the amount of \$7.5 million, to provide services in support of the Southeast New York ("SENY") 500 MW Power Plant's equipment. GEII will provide the materials and labor for technical support and maintenance services for the 500 MW Power Plant's GE equipment.

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 construction contracts exceeding \$3 million require the Trustees' approval.

The 500 MW Power Plant's Operations and Maintenance Department requires Technical Support and Maintenance Services ("Services") to support its operation on an as-needed basis. The Services will include technical support for troubleshooting and repairs to the Mark-VI Control System, the Combustion Turbine and the Steam Turbine mechanical and electrical components and associated auxiliary equipment. The Services will also include GE parts and GEII Field Engineering expertise.

The term of the new agreement will be five years starting August 01, 2016 through July 31, 2021. GEII has a wide range of technical capabilities and the contract will allow NYPA access to the GE's proprietary information, parts and labor.

DISCUSSION

In response to the Authority's Request for Proposal (Q15-59500HM) advertised in the New York State *Contract Reporter* on August 20, 2015, on Wednesday, October 14, 2015, two proposals were received to provide technical support and maintenance services to the SENY – 500 MW Power Plant.

The proposals were reviewed by an Evaluation Committee consisting of staff members from Poletti Operations – Plant Manager, Procurement, Poletti Operations – Operations Manager, and Engineering.

Mechanical Dynamics and Analysis (“MD&A”), Ltd. lacks the ability to provide PAC cases to GEII; it has no access to specific GE proprietary information needed to perform maintenance on critical plant equipment; and it generally, across the board, ranks lower in the ability to perform tasks requested in the RFP. However, it has a favorable labor rate.

GEII ranks higher in its capability to perform all of the requirements requested in the RFP; their labor rate is higher. GEII has demonstrated that it has the capability to provide these services on an as-needed basis. GEII is evaluated to be the most economical and technically qualified bidder to fulfill all of the requirements needed for the Services at the SENY 500 MW Power Plant.

FISCAL INFORMATION

Payments associated with this project will be made from the Authority’s O&M budget.

RECOMMENDATION

The Senior Vice President – Power Generation, the Regional Manager – SENY Operations, the Plant Manager – Operations, and the Vice President – Procurement recommend that the Trustees approve the award of a five-year contract to General Electric International, Inc. of Marietta, GA in the amount of \$7.5 million for technical support and maintenance services for the 500 MW Power Plant’s equipment.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Gil C. 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, a contract award to General Electric International, Inc. of Marietta, GA, in the amount of \$7.5 million, is hereby authorized to provide Technical support and Maintenance Services on an as-needed basis at the Southeast New York ("SENY") 500 MW Power Plant.

<u>Contractor</u>	<u>Contract Approval</u>
General Electric International, Inc. Marietta, GA (Q15-5950HM)	<u>\$7,500,000</u>

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, all other officers of the Authority and the Vice President of Procurement 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.