

**Date:** July 26, 2016

**To:** THE TRUSTEES

**From:** THE PRESIDENT and CHIEF EXECUTIVE OFFICER

**Subject:** St. Lawrence-FDR Power Project and Long Sault Dam –  
Procurement and Construction for Station Service Upgrades –  
Capital Expenditure Authorization Request and Contract Award

### SUMMARY

The Trustees are requested to authorize capital expenditures in the aggregate amount of \$13,041,000 to replace and modernize station service electrical equipment at the St. Lawrence – FDR Power Project (“STL”) and replace the motor control centers at Long Sault Dam (“LSD”) (herein referred to as the “Project”). The Trustees are also requested to approve the award of a three-year contract in the amount of \$7,273,800, to S&L Electric of Colton, NY.

To provide additional time to begin the review process of submittals for long lead time equipment, interim approval in the amount of \$100,000 was authorized in early July 2016 by the Chief Operating Officer, to proceed in accordance with the Authority’s Guidelines for Procurement Contracts.

### 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 equipment and non-personal services contracts in excess of \$3 million.

STL continues to maintain and operate the original 1958 motor control centers (“MCCs”) and 480V AC switchgears. The ability to reliably operate and maintain the equipment and procure spare parts has become increasingly difficult. This Project includes the replacement of several deteriorated MCCs and switchgears, MCC buckets, switchgear feeder breakers, switchgear metering upgrades, and replacement of the 13.8kV station service feeders with added redundancies.

The original 1958 LSD MCCs have shown considerable deterioration from standing water in the concrete-embedded conduits. The scope-of-work at LSD includes the replacement of the two (2) LSD MCCs to a new location, to mitigate water intrusion. The work also includes the installation of new conduits and cables to re-feed all of the existing MCC loads.

## DISCUSSION

The Authority issued a Request for Proposal (Q16-6060HM) in the New York State *Contract Reporter* on May 4, 2016. On June 21, 2016, five (5) proposals were received. Post-bid addendum #1 was issued on June 28, 2016; bidders' revised pricing are included in the evaluated prices below. The bidders and lump-sum bid pricing, along with the evaluated pricing, are set forth below:

<u>Bidder</u>	<u>Base Bid Price</u>	<u>Evaluated Price</u>
Rockwell Automation/CED Parsippany, NJ	\$2,020,004.20	Incomplete
S&L Electric Colton, NY	\$7,079,000	\$7,273,800
ABB, Inc. Florence, SC	\$6,623,320.59	\$8,360,362.15
O'Connell Electric Victor, NY	\$8,530,500	\$8,678,300
Eaton/HasGo LeRoy, NY	\$10,646,954	\$9,941,631.07

The proposals were reviewed by an Evaluation Committee consisting of staff members from the Engineer of Record (Clough, Harbour & Associates LLP) and Authority staff from Engineering, Procurement, St. Lawrence and Project Management.

In addition to the overall cost of the project, factors taken into consideration in the evaluation process included: compliance with the request for proposal, technical approach for performing the work, proposed project organization, experience of the bidder providing construction services, quality and experience of key project personnel, previous experience with projects similar to facility station services, past performance, and the Authority's knowledge and experience with each bidder.

Rockwell Automation/CED provided an incomplete proposal and was not evaluated further.

S&L Electric's bid is the lowest priced and most technically acceptable. Its proposal does not contain any commercial or substantial technical exceptions to the RFP. S&L has performed similar work in the past to the Authority's satisfaction.

This project is scheduled to be substantially completed in 2018. Closeout and punch list items will carry over into 2019.

The aggregate capital expenditure authorization request is comprised of the following:

Project	Project Estimate	Previous Authorization	Current Authorization
STL Station Service Upgrades	\$10,988,900	\$1,575,400	\$9,413,500
LSD MCC Replacements	\$2,052,100	\$300,000	\$1,752,100
TOTAL	\$13,041,000	\$1,875,400	\$11,165,600

**FISCAL INFORMATION**

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

**RECOMMENDATION**

The Senior Vice President – Operations Support Services and Chief Engineer, the Vice President – Project Management, the Vice President – Procurement, the Project Manager and the Regional Manager – Northern New York recommend that the Trustees authorize aggregate capital expenditures in the amount of \$13,041,000, and approve the award of a three-year contract to S&L Electric in the amount of \$7,273,800, to replace and modernize station service electrical equipment at the St. Lawrence-FDR Power Project and replace the motor control centers at Long Sault Dam.

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 Authority’s Expenditure Authorization Procedures, capital expenditures in the aggregate amount of \$13,041,000 are hereby authorized in accordance with, and as recommended in, the foregoing memorandum of the President and Chief Executive Officer;

<b><u>Capital</u></b>	<b><u>Expenditure Authorization</u></b>
St. Lawrence-FDR Power Project Station Service Upgrades and LSD MCC Replacements	<b><u>\$13,041,000</u></b>

AND BE IT FURTHER 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 three-year contract to S&L Electric of Colton, NY in the amount of \$7,273,800 to replace and modernize station service equipment at the St. Lawrence-FDR Power Project and replace the motor control centers at Long Sault Dam, as recommended in the foregoing memorandum of the President and Chief Executive Officer;

<b><u>Contractor</u></b>	<b><u>Contract Approval</u></b>
S&L Electric (Colton, NY) <b>(PO TBD)</b>	<b><u>\$7,273,800</u></b>

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.