

May 21, 2013

**MEMORANDUM TO THE TRUSTEES**

**FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER**

**SUBJECT: Gregory B. Jarvis Power Project and Niagara Power Project – Independent FERC Consultant’s Part 12D Safety Inspection and Follow-up Service – Contract Award**

**SUMMARY**

The Trustees are requested to approve the award of a procurement (services) contract to the firm Gomez and Sullivan Engineers, P.C. located in Utica, NY for inspection and consulting services in support of an independent consultant’s inspection, report and follow-up service for the Gregory B. Jarvis Power Project and the Niagara Power Project, as mandated by the Federal Energy Regulatory Commission (‘FERC’). The intended term of the contract is five years for the total projected amount of \$512,000.

**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 non-personal services, construction, equipment purchase or non-procurement contracts in excess of \$3 million, as well as personal services contracts in excess of \$1 million if low bidder, or \$500,000 if sole-source or non-low bidder.

**DISCUSSION**

FERC regulations require the Authority to hire an independent consultant to perform an independent dam safety inspection and review at licensed projects every five years. FERC issued two letters, one on January 7, 2013 indicating that the report for Niagara Power Project was due for submittal by December 1, 2013, and another on January 16, 2013 indicating that the report for the Gregory G. Jarvis Power Project was due for submittal by January 2, 2014. In response to the Authority’s Request for Proposals (“RFP”) advertised in the New York State Contract Reporter on February 22, 2013, seventy-seven (77) firms downloaded the bid documents from the Authority’s procurement website.

Bidders were required to submit a detailed proposal in accordance with the RFP and scope of work, with bidders permitted to bid on just one project or both projects combined. Five bids were received and opened on March 21, 2013. Of this number, one firm bid on just the Gregory B. Jarvis Power Project Part 12D independent consultant safety inspection and follow-up services. All five bids were analyzed and evaluated in greater detail by a team of staff

members from the Operations and the Procurement Department.

The bid evaluation looked at the lump sum contract price for the task of the first year (2013) for the dam safety inspection and report for the Gregory B. Jarvis Power Project and Niagara Power Project individually and both projects combined in addition to the cost for the work in the next four years (2014 thru 2017). Staff calculated total projected costs based on estimated man-hours needed for projected tasks based upon prior experience to address continuing engineering services to respond to FERC questions in years 2-5 of the contract and corresponding hourly rates provided by each firm in their proposal.

Based on the foregoing, Gomez and Sullivan Engineers, P.C. was the lowest-priced evaluated bidder of the five bids received and its proposal indicates a complete understanding of the FERC requirements for this work. Based on their qualifications and ability to perform such work, staff recommends awarding a contract to Gomez and Sullivan Engineers, P.C. Gomez and Sullivan Engineers, P.C.'s proposal is complete, competitive and is fully responsive to the scope of work (Q13-5425JDM). Gomez and Sullivan Engineers, P.C. has allocated proper resources to complete this work thoroughly and on-time. FERC's new inspection report guidelines requires the degree of staffing allocated by Gomez and Sullivan Engineers, P.C. and Gomez and Sullivan Engineers, P.C. has the knowledge and expertise to perform this work.

The award is for \$69,000 for the first year of the contract including \$600 for any additional unforeseen work. FERC requires the independent consultant to be available to answer follow-up questions for a period of 5 years. Therefore, based upon prior experience to address continuing engineering services to respond to FERC questions in years 2-5 of the contract, the value of the contract is estimated to include \$110,750 in years 2-5 of the contract. Total value of the contract is \$512,000.

FERC must approve the résumé of the specific independent consultants employed by Gomez and Sullivan Engineers, P.C. to proceed with this work. Historically FERC has required the Authority to utilize the FERC-approved independent consultant to conduct follow-up work; therefore the intended term of the contract is five years. This contract will permit the Authority to comply with the FERC mandate that the Authority conduct independent consultant inspections of its licensed hydropower project every five years. Pursuant to FERC's letter dated January 7, 2013, the Authority is required to submit a letter for the approval of the proposed Niagara Power Project independent consultant to FERC no later than June 1, 2013, six months before the Part 12D Safety Inspection Report is due. Pursuant to FERC's letter dated January 16, 2013, the Authority is required to submit a letter for the approval of the proposed Gregory B. Jarvis Power Project independent consultant to FERC no later than July 2, 2013, six months before the Part 12D Safety Inspection Report is due.

## FISCAL INFORMATION

Funds required to support contract are included in the 2013 Approved O&M Budget. Funds for subsequent years, where applicable, will be included in the budget submittals for those years. Payment will be made from the Operating Fund.

## RECOMMENDATION

The Senior Vice President- Operations Support Services and Chief Engineer, the Vice President - Engineering, the Vice President – Procurement, the Regional Manager – Central New York, the Regional Manager – Western New York and the General Manager – Clark Energy Center recommend that the Trustees approve the award of a five-year contract to Gomez and Sullivan Engineers, P.C. for inspection and consulting services as discussed above.

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.  
Procurement Award

**RESOLUTION**

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the award and funding of the five-year procurement contract to Gomez and Sullivan Engineers, P.C., in the amount of \$512,000, is hereby approved, as recommended in the attached memorandum of the President and Chief Executive Officer;

**Contractor**

**Contract Approval**

Gomez and Sullivan Engineers, P.C.  
Utica, NY

\$512,000

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.