



Date: December 17, 2015

To: THE TRUSTEES

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: **Procurement (Services) Contract –
Engineering for the SMART Path Moses-Adirondack
1&2 Rebuild Project – Contract Award**

SUMMARY

The Trustees are requested to approve funding and award of a competitively bid five-year personal service contract to Burns and McDonnell Consultants, Inc., of Kansas City, MO with a satellite office in Wallingford, CT, in the amount of \$5,375,651, to provide engineering services for the SMART Path Moses-Adirondack Lines 1 & 2 Rebuild Project (“SMART Path” or “Project”). The Project will replace the existing transmission lines MA1 and MA2 with 230 kV lines on double circuit steel monopole structures.

BACKGROUND

Section 2879 of the Public Authorities Law, the Authority’s Guidelines for Procurement Contracts, and the Authority’s Expenditure Authorization Procedures require the Trustees’ approval for personal services contracts in excess of \$1 million if low bidder and/or whose term exceeds one year in duration.

The Engineering for SMART Path is expected to have a duration of up to five years as the entire Project is expected to be completed by 2023. The Trustees approved funding to proceed with obtaining the necessary environmental permits and licensing certificates at their September 2015 meeting.

The existing MA 1&2 lines originate in the St. Lawrence Moses Substation in Massena, New York. From the Moses Substation, the lines generally traverse in a south and southwestern direction for approximately 85 miles, terminating in the Adirondack Substation in Croghan, New York. The MA 1&2 Lines are on double circuit steel lattice structures for the first eight miles, and the remaining 77 miles are attached onto single circuit wooden H frame structures. The two circuits were originally constructed by the United States Department of Defense in 1942 and acquired by the Authority in 1953. The MA 1&2 lines use old technology that is costly to maintain and prone to experiencing failures due to equipment fatigue. The lines have also reached the end of their useful life.

The MA 1&2 lines were originally constructed with wood pole H-frame structures that require periodic replacement. At their July 30, 2015 Meeting, the Trustees approved funds to replace wooden poles, as needed, on the MA 1&2 and the Moses-Plattsburgh lines.

The MA 1&2 lines continue to play an essential role in the reliability of the State’s electrical grid, including system restoration (blackstart capability) and as a complement and back-up to the Authority’s 765 kV transmission line.

The Authority performed a constructability assessment of the MA 1&2 lines and the study recommends that the line be rebuilt as follows: two 230 kV transmission lines consisting of new conductor installed on new, double circuit steel monopole structures on concrete caissons. The recommendation is based on lowest-cost, improved power flow, potential for future growth, and minimal adverse environmental impact. The Project, as proposed, will allow for an increased power flow of up to 200 MW along the MA 1&2 lines due to technological improvements. The double circuit steel monopole structure has been chosen due to low-cost, narrow footprint, increased durability, ease of maintenance, and beneficial constructability.

The Project will require the issuance of a Certificate of Environmental Compatibility and Public Need by the Public Service Commission (“PSC”), pursuant to Public Service Law Article VII, which requires studies, environmental assessments and public hearings.

DISCUSSION

The engineering services will include supporting the Public Service Law Article VII process, final design of the transmission line, and support during construction.

The Authority’s Request for Proposals (“RFP”), Inquiry No. Q15-5959MH, was advertised in the New York State *Contract Reporter* on September 3, 2015, and ten proposals were received on October 13, 2015.

After an initial evaluation based on cost and compliance with technical bid requirements, three proposals were removed from further consideration due to unacceptable exceptions and/or being non-responsive. As further set forth in the award recommendation documents, the two lowest cost qualified proposals were evaluated in greater detail and compared. Of these two bidders, Burns & McDonnell’s proposal appeared slightly higher [\$378,325]; however, it contained fewer technical exceptions and the estimated hours to be expended were higher. The proposal contained more details on the completion of the Environmental Management and Construction Plan as part of the scope and overall showed a better understanding and experience with the Article VII licensure process. Based on this and other factors related to office location and experience in New York State, Burns & McDonnell was deemed to be the lowest-cost technically qualified bidder. The five highest priced proposals were not evaluated in greater detail.

RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Senior Vice President – Public Affairs and Business Development, the Vice President – Project and Business Development, the Vice President – Transmission, the Vice President – Procurement and the Director – Project Development and Licensing, recommend that the Trustees authorize funding and award of a contract to Burns and McDonnell Consultants, Inc., in the amount of \$5,375,651.00, to provide engineering services for the SMART Path Moses-Adirondack Lines 1 & 2 Rebuild Project.

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, approval is hereby granted to authorize the issuance of a competitively bid procurement contract to Burns and McDonnell Consultants, Inc., in the amount of \$5,375,651.00, to provide engineering services for the SMART Path Moses-Adirondack 1&2 Rebuild Project as recommended in the foregoing memorandum of the President and Chief Executive Officer and as set forth below:

<u>Contractor</u>	<u>Contract Amount</u>
Burns and McDonnell Consultants, Inc. Kansas City, MO / Satellite Office - Wallingford, CT	<u>\$5,375,651.00</u>
Q15-5959MH	

AND BE IT FURTHER RESOLVED, That the 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, 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.