

Exhibit to Agenda Item #1

Board Finance & Audit Committee Meeting and Special SMUD Board of Directors Meeting

Tuesday, September 4, scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

Requested Action

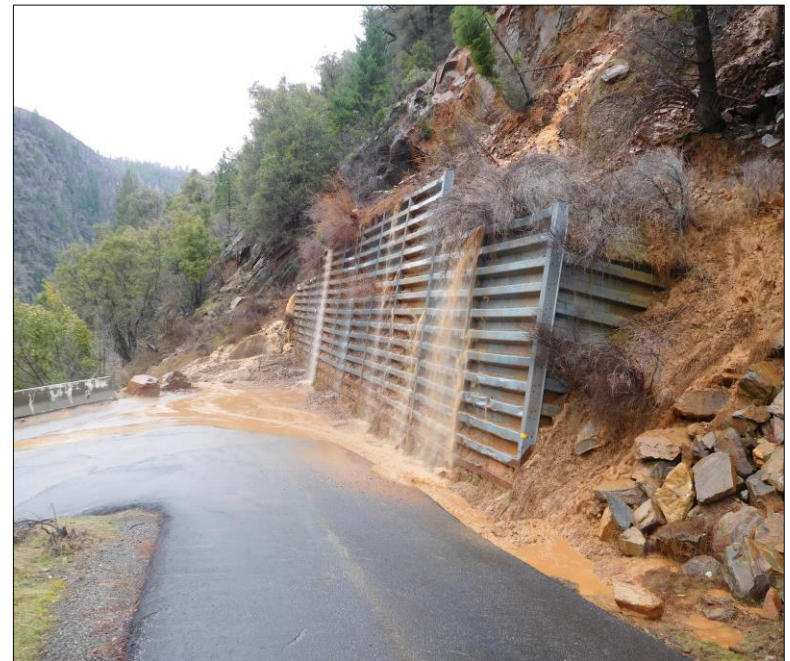
Authorize the Chief Executive Officer and General Manager to award two (2) contracts, one to Kleinfelder Inc., and one to River City Geoprosessionals, Inc., dba Wallace-Kuhl & Associates, for professional geotechnical engineering services over a four (4) year period, with a total aggregate value of \$5,000,000 with an option to extend each contract for an additional two (2) years. Individual tasks will be awarded on a competitive basis.

Background

Periodically, SMUD requires geotechnical expertise for investigations and site characterizations in support of power generation assets.

Specialized geotechnical work includes:

- Rock mechanics,
- Tunneling,
- Penstock support and evaluation,
- Subsidence investigation and
- Soil erosion remediation.



SMUD has current geotechnical contracts of similar nature that are shorter in duration and about to expire.

Examples



Penstocks - Foundations and penstocks shift over time, requiring remediation



Dam spillway assessments – Increased agency interest = more detailed inspections



Tunnels – condition assessments and characterization tools allow better maintenance and system reliability



Rock fall protection – weather extremes are requiring greater protection of assets



Soil erosion – larger and more frequent weather events requiring repairs and more robust designs

Contracting History

- SMUD Supply Chain Services awarded contracts in 2011 and again in 2014 for Geotechnical Professional Services.
- Contract Changes – the 2014 contracts were extended by one year and contract value increased to cover 2017 storm damage and subsequent remediation.
- One contract was extended to 2019 with two one-year options to design remediation for the White Rock tunnel.

Contract Value and Duration

- Proposed combined value of \$5,000,000 is a result of recent experience and need for specialty services to maintain reliability of generation assets.
- Proposed duration of four (4) years, plus two one year extension options ensures continuity for planned and foreseeable construction projects.

RFP Evaluation Results

Responsive Proposals Received	Pass /Fail	SEED Points 10	Technical Points 50	Price Points 40	Total Score 100	Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
KLEINFELDER, INC.	P	10.00	46.81	38.15	94.96	1	\$4,222,000	\$201,810	\$4,020,190	Agg. Of all task authorizations NTE \$5M
RIVER CITY GEOPROFESSIONALS, INC. DBA WALLACE-KUHL & ASSOCIATES	P	10.00	48.16	33.72	91.88	2	\$4,750,200	\$201,810	\$4,548,390	Agg. Of all task authorizations NTE \$5M
TERRACON CONSULTANTS, INC.	P	10.00	39.15	40.00	89.15	3	\$4,036,200	\$201,810	\$3,834,390	
GHD, INC.	P	10.00	45.59	32.20	87.79	4	\$4,964,400	\$201,810	\$4,762,590	
YOUNGDAHL CONSULTING GROUP, INC.	P	9.50	34.04	36.79	80.33	5	\$4,208,800	\$39,983.60	\$4,168,816.40	

There were a total of 8 proposals, 3 were determined to be non-responsive

Best Value

- Final negotiations with Kleinfelder resulted in a reduction of \$55,800 of the contractor's total proposal amount.
- According to the Geotechnical Engineering service report generated by Procurement IQ released June 2018, the rates proposed by Kleinfelder and Wallace-Kuhl, are both either below or within the 10% of the benchmark services rates, with most of them falling below the benchmark.

Aligning with SMUD Strategic Directives

- **SD-4 Reliability-** Geotechnical engineering services are needed to ensure proper stabilization of rock, earth, penstocks and tunnels appurtenant to powerhouses, wind turbines, solar farms and gas pipelines
- **SD-7 Environmental Leadership-** Geotechnical investigations are conducted prior to any soil disturbance in order to characterize the soil and monitor for environmental hazards.

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