

Exhibit to Agenda Item #2

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

Tuesday, August 13, 2019 scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

Requested action

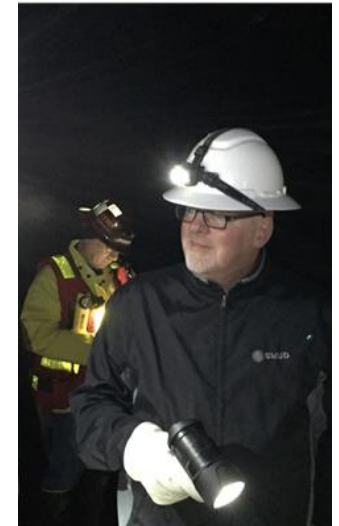
Authorize the Chief Executive Officer and General Manager to award a completed Contract to Drill Tech Drilling & Shoring to complete the White Rock Tunnel bolt augmentation, rocktrap rebuild, and debris removal. Construction will be completed over a three (3) year period, with a total aggregate value of \$17,542,088. Contract term will be September 1, 2019 to December 31, 2021.

Background

SMUD inspected the White Rock Tunnel in winter 2017/2018 following unwatering for the South Fork Powerhouse Project.

The inspection discovered:

- Support structure at end of life,
 - Rock Bolts corroded and failing
 - Exposed weak rock adjacent to previously lined shotcrete.
- Areas of moderate rockfall affecting operations,
- Damaged Rock Trap with sediment buildup



SMUD has obtained an Owners Engineer specializing in tunnel construction to support the construction schedule and minimize costs.

Examples



Top: Example of debris field discovered during tunnel inspection

Bottom: Failed rock bolts in rockfall.



Failed rock bolt hanging from tunnel ceiling.



Top: Large rockfall section, approximately 8-9' high.

Bottom: Recovered rock bolts



Scope of proposed contract

The project consists of multiple components, including:

- Debris cleanup
- Support structure augmentation
 - Install approx. 21,000 anchor bolts
 - Install approximately 5,600 cu. yards shotcrete.
- Rocktrap repairs
 - Remove debris, demo damaged steel structure and replace in kind.



All work will be performed under CalOSHA Tunnel Safety Orders. All required ventilation, lighting, communication and mandatory rescue teams are included within proposed Contract.

Procurement strategy

- Request for proposal (RFP) to ensure best value
- Complex construction and environmental scope
- Focused on contractor and proposed team
- Ensured adequate proposer planning
- Process emphasized importance of schedule
- Cost plus profit, overhead, and contingency

RFP Evaluation	100%
SEED	10%
Contractor Experience	15%
Project Team Experience	5%
Project Schedule	10%
Approach to Project	15%
Safety & Environmental	5%
Commercial Terms	40%

Safety was a key component in all technical evaluation components and makes up higher than 5%. Safety & Environmental 5% component above is Key statistics from OSHA.

Award outcome

RFP NO. 190050.DM										
<i>Upper American River Project White Rock Tunnel Augmentation</i>										
Responsive Proposals Received	Pass/Fail	SEED Points	Technical Points	Price Points	Total Score	Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
		10	50	40	100					
Drill Tech	Passed	10.00	46.18	40.00	96.18	1	\$17,542,088	\$250,000	\$17,292,088	\$17,542,088
SMCI/Obayashi JV	Passed	10.00	35.02	29.97	74.98	2	\$23,331,000	\$250,000	\$23,081,000	
Shimmick Construction	Passed	0.00	26.93	26.87	53.80	3	\$25,746,000	\$0.00	\$25,746,000	

- Eleven companies attended the pre-proposal conference
- Three proposals were received
- All received proposals were responsive

Aligning with SMUD Strategic Directives

- **SD-4 Reliability-** White Rock Tunnel is a critical component providing approximately 1/3 of SMUD's hydro generation capacity. Loss of tunnel support during aggressive summer use would be catastrophic to meeting peak demand.
- **SD-7 Environmental Leadership-** White Rock Powerhouse is SMUD's largest on-demand carbon neutral generation facility and a key component to SMUD's Integrated Resource Plan.

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