

Exhibit to Agenda Item # 3

Approve increase to the aggregate contract not-to-exceed amount for hydroelectric engineering services by \$4 million, from \$2 million to \$6 million, for Contract No. 4500116398 with **Stantec Consulting Services, Inc.**, Contract No. 4500116399 with **HDR Engineering, Inc.**, Contract No. 4500116400 with Mesa Associates, Inc., and Contract No. 4500116401 with **Black & Veatch Corporation**.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, June 15, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Background

Professional Services contracts supplement SMUD staff and capabilities. The Hydroelectric Professional Services contracts provide the following:

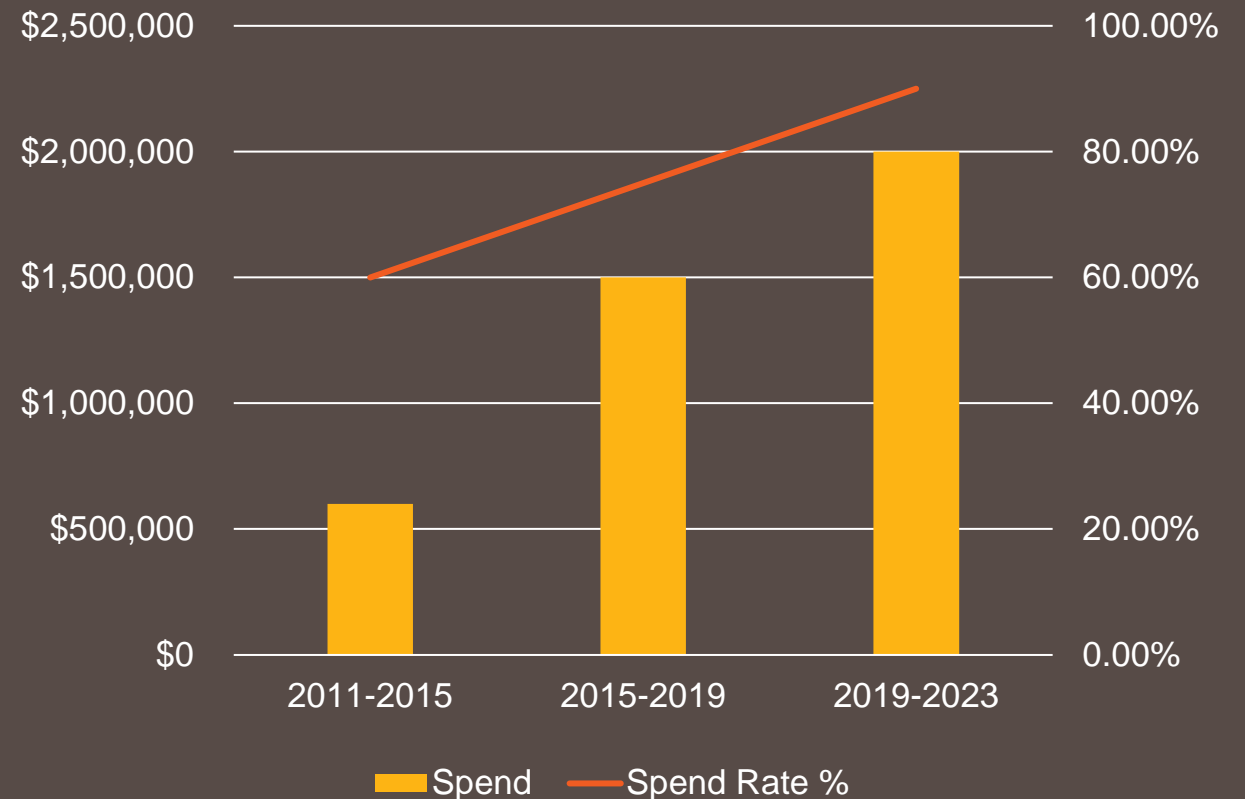
- Assures suitable resources and industry experts are available for ensuring dam safety under Federal Energy Regulatory Commission (FERC) and California Division of Safety of Dams (DSOD) rules
- Provides added expertise and resources to perform specialty studies that improve generating equipment operational efficiencies
- Allows SMUD to maintain a core staff of engineering professionals, which can be supplemented when workload increases
- Advances staff knowledge and the ability to consult with hydroelectric generation industry experts in several engineering disciplines

Contracting history

SMUD Supply Chain Services awarded sets of Hydroelectric Professional Services contracts most recently in 2011, 2015 and 2019. The rate of spending is now greater than in the past. In addition to normal operations and maintenance support, accelerated spending on the current contracts awarded in 2019 were due in part to:

- Assessing FERC Part 12D Independent Consultant recommendations which include numerous post-Oroville incident studies and structural condition verifications
- Dam Safety emergency exercise planning
- Efficiency improvement for generator rewinds through advanced testing, inspection and condition assessment

Hydroelectric Professional Services



SEED commitment

RFP NO. 190017.SB - HYDROELECTRIC DESIGN AND ENGINEERING									
Proposer	SEED	Technical	Price	Total	Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
	10	50	40	100					
Stantec	10.00	48.1	25.5	83.6	1	\$1,115,500.00	\$34,454.95	\$1,081,045.05	\$2M Aggregate Group Funding
Mesa Inc.	10.00	37.3	34.5	81.9	2	\$831,700.00	\$34,454.95	\$797,245.05	
Black & Veatch	10.00	46.3	22.0	78.3	3	\$1,285,500.00	\$34,454.95	\$1,251,045.05	
HDR Engineering	10.00	46.3	21.8	78.1	4	\$1,299,000.00	\$34,454.95	\$1,264,545.05	

SEED subcontracting

- Originally all four contractors committed 20% of their proposal to SEED through subcontracting.
- Subcontracting categories within the proposals included; electrical engineering, drafting services, geological services, civil engineering, hydro-electric design, land surveying, and environmental advisory services.
- The group funding contracts are less than \$1M individually so we do not track SEED compliance currently
- With this contract change we will require SEED compliance reporting going forward.

Future work

The following activities are anticipated during the remaining contract period:

- Pump back hydro studies to support the 2030 zero carbon plan
- FERC required seismic assessment of two double curvature arched dams
- Assessing and responding to regional flood studies promulgated by SAFCA and regulatory bodies that are aligned with changing outlooks on climate
- Ensure sufficient services and resources are available to scenarios in accordance with SMUD's FERC-approved Dam Safety Program

The four contractors are currently recognized in the hydroelectric services industry with favorable reputations.

