



SOUTHEAST ALASKA POWER AGENCY

Special Board Meeting AGENDA

(To be held Electronically¹)

March 18, 2022 SEAPA SPECIAL BOARD MEETING		
Time	Event	
2 PM	Meeting Starts	For telephonic participation dial: 1.888.475.4499² Meeting ID No. <u>830 0698 0674</u>
3 PM (Estimated)	Meeting Adjourns	

1. Call to Order
 - A. Roll call
 - B. Communications Lay on the Table Items
 - C. Disclosure of Conflicts of Interest

2. Approval of the Agenda

3. Persons to be Heard

4. New Business:
 - A. Consideration and Approval of Petersburg Substation Refurbishment Contract and increase to FY2022 R&R Budget
 - B. Consideration and Approval of Wrangell Warehouse Fire Remediation Contract and increase to FY2022 R&R Budget
 - C. Consideration and Approval of Wrangell Circuit Switcher Replacement Contract

5. Adjourn

¹ In the event of a failure with Zoom connectivity, the meeting shall continue by telephonic participation by dialing 1.800.315.6338 (Code 73272#).



SOUTHEAST ALASKA POWER AGENCY

Date: March 16, 2022

To: SEAPA Board of Directors

From: Trey Acteson, Chief Executive Officer

Subject: Petersburg Substation Refurbishment Contract

FISCAL NOTE:
 RR22375 (Petersburg Substation Refurbishment)
 \$198,000 approved in SEAPA FY2022 R&R Capital Budget

A Request for Proposals for the Petersburg Substation Refurbishment Contract was advertised on February 17, 2022. One (1) bid was received on March 4, 2022 as follows:

Bidder	City/State	Lump-Sum Bid Amount
Specialty Engineering, Inc.	Vancouver, Washington	\$258,700.00

The proposal was primarily evaluated on price, experience/qualifications, construction approach and workmanship warranty, safety record and proposed schedule. The bid is \$60,700 over the \$198,000 budgeted in the FY2022 R&R budget due to major cost escalations on all project elements.

Based upon evaluation by staff of the sole bid, staff recommends award of the contract to Specialty Engineering, Inc. for the lump-sum bid of \$258,700. A budget contingency of 5% (\$12,935) is also recommended for unexpected delays or other expenses, for a total project cost of \$271,635. This would be an increase of \$73,635 to the FY2022 R&R Budget. Updated and original RR22375 project proposals are attached for your reference.

Please consider the following suggested motion:

SUGGESTED MOTION

I move to authorize staff to enter into a contract with Specialty Engineering, Inc. for refurbishment of the Petersburg Substation for \$258,700. I further move to increase the FY2022 Budget for RR22375 to \$271,635, which includes the contract amount plus a five percent (5%) contingency of \$12,935.

Attachments:
 (Updated) RR22375 PSG Station Refurbishment Project Proposal
 (Original) RR22375 PSG Station Refurbishment Project Proposal



RR22375

Substation Refurbishment PSG

Description: **Petersburg Substation Refurbishment (revised March 2022)**

Cost Estimate: **\$271,535** Sched. Complete: **SEPT 2021** Project Mgmt: **Siedman**

PROJECT DISCUSSION

Overall, the Petersburg Substation is in good condition with an expected remaining life of 15 years for most of the assets in the substation to include the transformers, circuit breakers and circuit switchers. However, life extension refurbishments are required to reach end of life (15 additional years). During a summer 2021 inspection, it was found that a couple insulators were broke, grout on pedestals require repair, high resistivity gravel needs resurfaced, the substation building’s roof needs rehabilitation and the transformers require new gauges and paint. This project would include repair of minor equipment as noted and apply new paint on the transformers to extend the life of the Petersburg substation.

PROJECT COST ESTIMATE

BREAKDOWN	ESTIMATE	BUDGET – EXPENDITURES	
Parts & Labor:		FY2022 BUDGET	\$271,635
Transformer Refurbishment	\$69,375		
Breaker Refurbishment	45,225		
Control Building	41,375		
Yard Gravel	51,125		
Mobilization-Demobe	51,600		
Contingency (5%)	12,935		
Total Estimate	\$271,635	Total FY2022 Budget	\$271,635

Project Cost Estimate Discussion

Parts include new oil gauges and temp gauges, gravel, and ancillary equipment. Project costs are based upon contractor bid.

RR22375 Substation Refurbishment PSG



Substation Refurbishment PSG

Description:	Petersburg Substation Refurbishment		
Cost Estimate:	\$198,000	Sched. Complete:	SEPT 2021
		Project Mgmt:	Siedman

PROJECT DISCUSSION

Overall, the Petersburg Substation is in good condition with an expected remaining life of 15 years for most of the assets in the substation to include the transformers, circuit breakers and circuit switchers. However, life extension refurbishments are required to reach end of life (15 additional years). During a summer 2021 inspection, it was found that a couple insulators were broke, grout on pedestals require repair, high resistivity gravel needs resurfaced, the substation building's roof needs rehabilitation and the transformers require new gauges and paint. This project would include repair of minor equipment as noted and apply new paint on the transformers to extend the life of the Petersburg substation.

PROJECT COST ESTIMATE

BREAKDOWN	ESTIMATE	BUDGET – EXPENDITURES	
Parts/Paint/Gravel	\$32,000	FY2022 BUDGET	\$198,000
Labor	115,000		
Mobilization	18,000		
Accommodations/Per-Diem	15,000		
Contingency (10%)	18,000		
Total Estimate	\$198,000	Total FY2022 Budget	\$198,000

Project Cost Estimate Discussion

Parts include new oil gauges and temp gauges, gravel, and ancillary equipment. Labor is estimated at 8 persons at 10 hours per day for 7 days and based on a recent similar project at Swan Lake.





SOUTHEAST ALASKA POWER AGENCY

Date: March 16, 2022
To: SEAPA Board of Directors
From: Trey Acteson, Chief Executive Officer
Subject: Wrangell Warehouse Fire Remediation Contract

FISCAL NOTE:
RR22377 (Wrangell Warehouse-Office Renovation)
\$600,000 approved in SEAPA FY2022 R&R Capital Budget

A Request for Proposals for the Wrangell Warehouse Fire Remediation Contract was advertised on January 27, 2022. One (1) bid was received on March 7, 2022 as follows:

Bidder	City/State	Lump-Sum Bid Amount
Marble Island LLC, d/b/a Marble Construction	Ketchikan, Alaska	\$776,000

The proposal was primarily evaluated on price, experience, approach to the work and materials/products proposed, construction schedule, warranties, and the bidder's safety program. The bid is \$176,000 over the \$590,000 building renovation costs included in the FY2022 budget for RR2377 due to major cost escalations on all project elements.

Based upon evaluation by staff of the sole bid, staff recommends award of the contract to Marble Island LLC, d/b/a Marble Construction for the lump-sum bid of \$776,000. A 10% budget contingency of \$77,600 is also recommended for unexpected delays or other expenses. This will total \$863,600 and will require an increase of \$263,600 in the FY2022 R&R Budget. Copies of both the updated and original project proposals are attached.

Please consider the following suggested motion:

SUGGESTED MOTION

I move to authorize staff to enter into a contract with Marble Island LLC, d/b/a Marble Construction for the Wrangell Warehouse-Office Remediation project in the amount of \$776,000. I further move to increase the FY2022 Budget for RR22377 to \$863,600, which includes the contract amount plus a ten percent (10%) contingency of \$77,600.

Attachments:
(Updated) RR22377 WRG Warehouse-Office Renovation Project Proposal
(Original) RR22377 WRG Warehouse-Office Renovation Project Proposal



RR22377

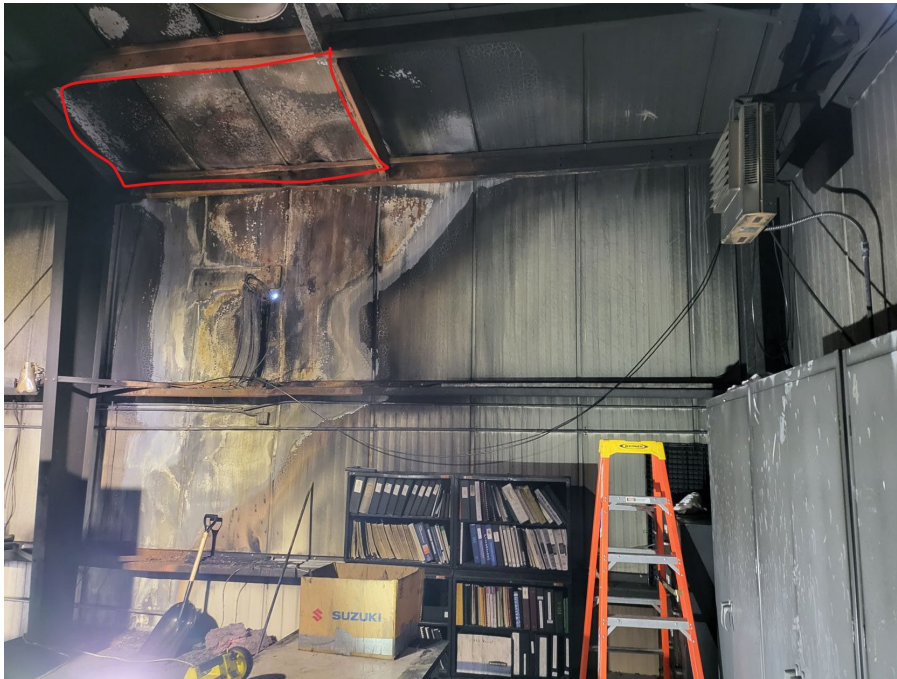
Warehouse-Office WRG

Description:	Wrangell Warehouse-Office Renovation (revised Mar 2022)		
Cost Estimate:	\$863,600	Sched. Complete:	FY2022
		Project Mgmt:	Acteson/Hammer
PROJECT DISCUSSION			
<p>The fire that occurred in the Wrangell Warehouse-Office on May 13, 2021, caused extensive damage to exterior roof and wall insulated panels, the heat pump system, carpets, lighting, and electrical systems. There was also significant smoke damage in the warehouse and upper mezzanine areas.</p> <p>R&M Engineering-Ketchikan was hired by SEAPA at the request of the insurance adjuster to perform a field investigation and provide a condition assessment report that forms the basis of the scope of work for repairs. On November 8, 2021, the assigned insurance adjuster dispatched their own representative engineer to further assess damage to the structure and related equipment. An RFP was issued after receipt of the insurance Engineer’s Report to ensure conformance with their scope and specifications.</p>			

PROJECT COST ESTIMATE			
BREAKDOWN	ESTIMATE	BUDGET – EXPENDITURES	
Field Investigation	\$5,000	FY21 Expenditures	\$6,500
Admin/Travel Expense	\$5,000	FY22 BUDGET	\$857,100
Building Renovation	\$776,000		
Renovation Contingency (10%)	\$77,600		
Total Estimate	\$863,600	Total Budget	\$863,600
Project Cost Estimate Discussion			
<p>In 2021, SEAPA solicited input on multiple facets of building renovations, but none were forthcoming. A rough order of magnitude was estimated at \$400-\$600K. Insurance is expected to cover a portion of the cost; however, any associated insurance proceeds will be recorded as Other Income and not be applied directly to this project.</p> <p>Being unable to obtain budgetary quotes, it became necessary to issue a formal RFP to move this project forward. The resulting bid reflects major cost escalations on all project elements based on current economic volatility.</p>			



Fire bleeding through to exterior.



Mezzanine near source of fire.



Heavy soot throughout warehouse.



Ceiling panel delamination throughout building. Note dripping joint sealant.



All lighting fixtures and electrical in upper elevations damaged.



RR22377

Warehouse-Office WRG

Description:	Wrangell Warehouse-Office Renovation		
Cost Estimate:	\$600,000	Sched. Complete:	FY2022
		Project Mgmt:	Acteson/Hammer

PROJECT DISCUSSION

The fire that occurred in the Wrangell Warehouse-Office on May 13, 2021, caused extensive damage to exterior roof and wall insulated panels, the heat pump system, carpets, lighting, and electrical systems. There was also significant smoke damage in the warehouse and upper mezzanine areas.

R&M Engineering-Ketchikan was hired by SEAPA at the request of the insurance adjuster to perform a field investigation and has provided a condition assessment report that forms the basis of the scope of work for repairs. On November 8, 2021, the assigned insurance adjuster dispatched their own representative engineer to further assess damage to the structure and related equipment. SEAPA is awaiting a copy of their Engineer’s Report to conform scope and specifications prior to issuing an RFP.

PROJECT COST ESTIMATE

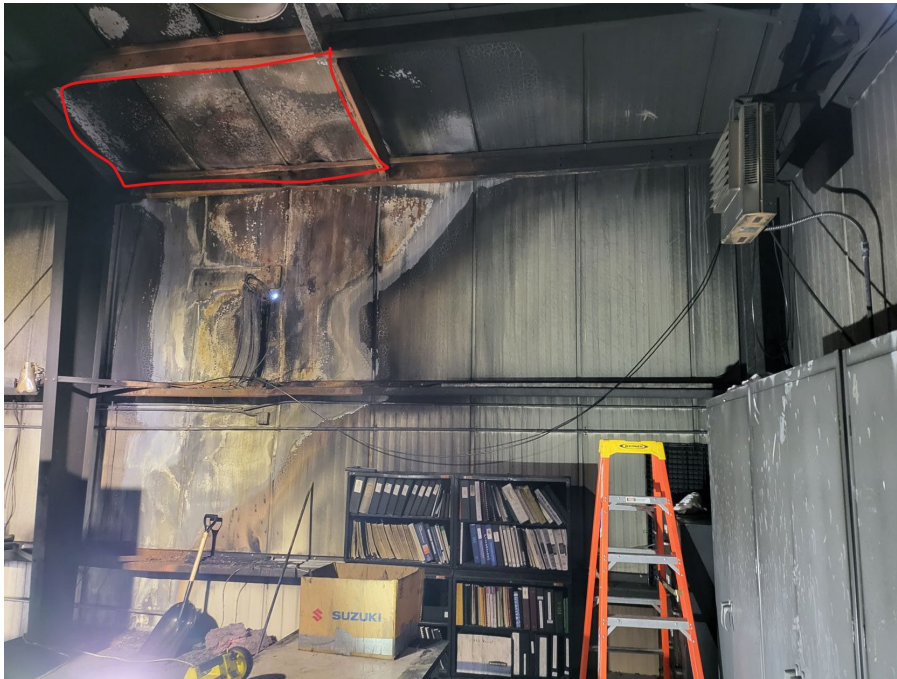
BREAKDOWN	ESTIMATE	BUDGET – EXPENDITURES	
Field Investigation	\$5,000	FY21 Expenditures	\$6,500
Admin/Travel Expense	\$5,000	FY22 BUDGET	\$593,500
Building Renovation	\$590,000		
Total Estimate	\$600,000	Total Budget	\$600,000

Project Cost Estimate Discussion

SEAPA solicited input on multiple facets of building renovations and providers were either unwilling to provide budgetary quotes (possibly due to extreme market volatility) or were non-responsive. It will be necessary to issue a formal RFP to ascertain cost and move the project forward. A rough order of magnitude is \$400-\$600K and insurance should cover a portion of the cost. Regardless of insurance coverage, all expenditures related to the actual repairs of the Wrangell Warehouse-Office would be recorded as capital expenditures.



Fire bleeding through to exterior.



Mezzanine near source of fire.



Heavy soot throughout warehouse.



Ceiling panel delamination throughout building. Note dripping joint sealant.



All lighting fixtures and electrical in upper elevations damaged.



SOUTHEAST ALASKA POWER AGENCY

Date: March 16, 2022
To: SEAPA Board of Directors
From: Trey Acteson, Chief Executive Officer
Subject: Wrangell Transformer Circuit Switcher Replacement Contract

FISCAL NOTE:
 RR21361 (XFMR Circuit Switcher Wrangell)
 \$401,300 approved in SEAPA FY2022 R&R Capital Budget

A Request for Proposals for the Wrangell Transformer Circuit Switcher Replacement Contract was advertised on February 23, 2022. One (1) bid was received on March 15, 2022, as follows:

Bidder	City/State	Lump-Sum Bid Amount
Electric Power Constructors, Inc.	Anchorage, Alaska	\$148,130

The proposal was primarily evaluated on price, experience/qualifications, construction approach, workmanship warranty, safety record, and proposed schedule. Based upon evaluation of the sole bid, staff recommends award of the contract to Electric Power Constructors, Inc. for the lump-sum bid of \$148,130.

Acceptance of this bid will not require an adjustment to the project's FY2022 budget of \$401,300, a copy of which is attached. The circuit switcher has been ordered and ended up including budgeted ancillary equipment. With this bid, the cost estimate would break down as:

Circuit Switcher, Shipping	\$237,495
Installation/Commissioning	\$148,130
Contingency	\$15,675
Total	\$401,300

Please consider the following suggested motion:

SUGGESTED MOTION

I move to authorize staff to enter into a contract with Electric Power Constructors, Inc. for replacement of the Wrangell Transformer Circuit Switcher for \$148,310.

Attachment:
 (Original) RR21361 Wrg Transformer Circuit Switcher Project Proposal

XFMR Circuit Switcher WRG

Description: **Transformer Circuit Switcher – Wrangell Substation** (approved Sep 2021)

Cost Estimate: **\$401,300** Sched. Complete: **SEP 2022** Project Mgmt: **Siedman**

PROJECT DISCUSSION

During the 2021 annual outage, SEAPA discovered that the Wrangell transformer circuit switcher was low on SF6 gas. After in-house testing to identify the leak, refilling the dielectric (insulating) gas and placing the asset back online, it continued to leak gas. The Circuit switcher has now lost all SF6 gas and is at the end of its useful life, requiring replacement. There is an approximate six-month lead time for this asset. Pending delivery of the circuit switcher, installation is tentatively scheduled (contractor TBD) for the 2022 outage.

PROJECT COST ESTIMATE

BREAKDOWN	ESTIMATE	BUDGET – EXPENDITURES	
Circuit Switcher, Shipping	\$237,495	FY21 BUDGET	\$0
10% Contingency	\$23,749	FY22 BUDGET	401,300
Ancillary Equip. & Shipping	40,000		
Installation/Commissioning	100,000		
Total Estimate	\$401,244	Total Budget	\$401,300

Project Cost Estimate Discussion

No expenditures in 2021, however, the order for the \$237,495 Board-authorized purchase was placed with Southern States, LLC in September 2021. Sole-source was required for this replacement to maintain switchyard switches with in-kind equipment for maintenance, spare and reliability purposes.

