

Staff Report

TO: Board of Directors

FROM: Doug Roderick, P.E., Director of Engineering
Lacy Cannon, P.E., Senior Engineer – Dam Safety

DATE: August 14, 2024

SUBJECT: FERC Part 12D Independent Consultant Inspection Services

ENGINEERING

RECOMMENDATION:

Award a contract to HDR, Inc. in the amount of \$2,810,589 to complete the Federal Energy Regulatory Commission (FERC) required Part 12D Independent Consultant (IC) Inspection Services for twelve District dams and authorize the General Manager to execute the appropriate documents.

BACKGROUND:

The District is required by FERC to perform IC inspections, including Comprehensive Assessments (CA) and Periodic Inspections (PI) on alternating five-year intervals on twelve project dams per Title 18 Part 12 Subpart D of the Code of Federal Regulations (CFR). These regulations and FERC's Guidelines for the Evaluation of Hydropower Projects Chapter 16 are the prevailing standards for this work. These revised federal regulations went into effect on April 11, 2022. The PI process includes technical document review, pre-inspection planning, field inspections of each dam, and preparation of the PI reports. The CA process includes pre-inspection planning, document review, field inspections, Potential Failure Mode Analysis (PFMA), Level 2 Risk Assessment (L2RA), PFMA and L2RA training for NID staff, CA reports, and participate in the CA review meeting with FERC.

The last Part 12D inspections were completed in March 2022 under the old FERC regulations and guidelines. FERC provided the District with a schedule to complete four CAs and eight PIs over the course of three years, from 2026 to 2028. FERC will issue a formal letter to the District eighteen months before the first P12D report due date. Staff elected to release the Request for Proposals and secure a consultant ahead of the FERC notification letter because FERC approved IC's and Facilitators are in short supply and high demand.

A request for proposals was sent to twenty-one well qualified consulting firms on May 20, 2024. Proposals were due on July 18, 2024. Two proposals were received, and four

firms declined to propose. The two proposals were reviewed and ranked by staff. The ranking was based on the following criteria:

- Firm Qualifications and Availability (35%)
- Project Examples (20%)
- Approach and Schedule (20%)
- Cost (25%)

Proposals were initially reviewed and ranked by staff without knowledge of the costs of service. Staff unanimously ranked the consultants' proposals. Once ranked, proposal costs were then opened. Rankings and cost are summarized below:

Consultant:	HDR, Inc.	Gannett Fleming/Slate Geotechnical
Rank:	1	2
Cost:	\$2,810,589	\$3,033,347

Both consulting teams are well qualified, have relevant project experience, and have demonstrated acceptable approaches for the scope of work. The ranking was close between the two consultants, but overall HDR's proposal graded higher in approach, availability, and cost-effectiveness.

Staff is recommending awarding a consulting contract with HDR, Inc. in the amount of \$2,810,589 to complete the Federal Energy Regulatory Commission (FERC) required Part 12D Independent Consultant (IC) Inspection Services.

BUDGETARY IMPACT:

The Hydroelectric operating budget currently has \$692,612 available in the consulting budget (50112-52603). Staff estimates that approximately \$150,000 will be spent this year, leaving \$542,612 in 50112-52603 for the remainder of the 2024 budget year.

Work performed under this contract will occur through 2028 due to various regulatory requirements and schedules and will be budgeted annually throughout the duration of the contract.

DR/LC