

Exhibit to Agenda Item #6

Authorize the Chief Executive and Officer and General Manager to enter into Master Services Agreements and finalize terms and conditions with **Arrow Construction, Henkels and McCoy West, LLC, Kiewit Transmission Services, Inc., and Wilson Utility Construction Company** for substation construction services for a contract term of five years from December 21, 2023, to December 20, 2028, for a total aggregate contract not-to-exceed amount of \$200 million.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Wednesday, December 13, 2023, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

Background information

High demand for economic growth plans, SMUD's decarbonization goals, and SMUD's significant investment in its infrastructure over the next five years call for additional construction support for modifications and new construction of substations.



**Transformer at Requa Fawn
Distribution Substation**

Business need

SMUD plans to request substation construction services from qualified Contractors to perform substation builds and upgrades/modifications that our internal workforce labor does not have the capacity to complete.

Establishing Master Service Agreements with outside Contractors will enable SMUD to complete more Substation projects on an annual basis to keep up with demand.

Estimated Project Type	Estimated Quantity Over Next 5 Years
Distribution Substation 69kV/12kV	20
Transmission Substation 230 kV/115kV	5



Station E 115kV Tower Construction

Scope of services

- Construction services for distribution and transmission substation projects
- A new Electrical Inspector position was created through mutual collaboration with IBEW to ensure quality control standards are met
- Examples include:
 - Transformer upgrade/replacements
 - Switchgear replacements
 - Circuit breaker replacements
 - New substation construction and commissioning
 - Underground transmission line specialty work
 - Control building construction



Hurley Substation Bus Tie

Alliance agreement objectives and process

- This agreement establishes rates and governing terms and conditions for future task orders
- SMUD's process for task orders:
 - Submit a Request for Task Proposal to Contractors
 - Contractors responds with proposals for SMUD to evaluate
 - SMUD will award each task to the most competitive proposal
- Pricing for each task order will be negotiated using established pricing



Engle Eastern Substation Switchgear

Procurement strategy

- Request for Qualification was issued in May 2023 to technically qualify proposers for subsequent RFP, yielding 13 qualified Contractors.
- SMUD hosted an in-person “meet the prime proposers” event to maximize SEED subcontracting opportunities on July 31, 2023; 12 primes were in attendance.
- Proposals were then solicited by an RFP to allow SMUD to award contracts on a best value basis, yielding 5 proposals.
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- RFP Criteria evaluated:
 - RFQ Score
 - SEED Participation
 - Proposer’s and Subcontractor’s Experience and Qualifications
 - Proposers Experience and Qualifications of Key Project Personnel
 - Proposer’s Approach and Project Schedule
 - Proposer’s Safety and Sustainability
 - Commercial Terms (Price) and Compliance with SMUD’s Contractual Terms

Award summary

Responsive Proposals Received	P/F	SEED Points	Technical Points	Pricing & Commercial Terms	RFQ Score	Total Score	Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
		10	65	25	100	200					
Wilson Utility Construction Company	P	10.0	41.9	21.2	85.2	158.3	1	\$9,872,734	\$250,000	\$9,622,734	Not to exceed \$200M amount of all task authorizations in aggregate
Henkels & McCoy West, LLC	P	-	34.2	19.7	85.0	138.9	2	\$9,941,175	-	\$9,941,175	
Arrow Construction	P	10.0	41.5	19.2	64.4	135.1	3	\$11,643,094	\$250,000	\$11,393,094	
Kiewit Transmission Services, Inc.	P	4.0	34.2	21.1	73.6	132.9	4	\$7,491,143	\$29,852	\$7,461,291	

Pre-Proposal Conference Attendance: 12

Proposals Received: 5

Non-Responsive Proposals Received: 1

Final evaluation and negotiations

- SMUD determined all 4 responsive contractors to be qualified
- Negotiations resulted in a ~22.7% reduction in average proposal price
- Moving forward with all four contractors provides SMUD with competitive bidding pool on future projects and extensive resources to meet business needs over the next five years

