



**Meeting Date:** September 12, 2016

**Report No.** SUA-16-48

**Agenda Item No.** 5-a

**Status:** General Orders

**Purpose:** Sole Source Purchase Approval - Oklahoma Gas and Electric (OG&E) Transmission Pole Change Out

**Background Summary:** On December 15, 2014, the Trustees authorized staff to enter into an agreement with Burns and McDonnell (BMcD) for the engineering design services needed to perform modifications to the 69,000 volt transmission system. The modifications will increase reliability of the transmission system and more effectively manage the power output from the Stillwater Energy Center (SEC). The transmission system modifications will allow the SEC to connect to the transmission system at more than one point, will permit sections of the transmission system to be isolated in order to better contain electrical problems, and will reduce customer outage sizes and duration times. In addition, the transmission work is an integral part of the program to move toward using advanced protective relaying equipment that is designed to protect the transmission system and rapidly isolate outages. A map has been provided with this report that shows the new transmission line routes.

Staff has been working to procure the necessary hardware and accessories to begin construction. During the engineering phases of the project, staff completed a study to determine the most cost effective route to complete the modifications. Along that route at the intersection of Lakeview and Perkins Road, Stillwater Electric Utility (SEU) must cross an existing OG&E 138,000 volt transmission line. SEU's lower voltage (69,000 volts) is required by safety codes to pass under the higher voltage necessitating that OG&E replace their existing poles with taller structures to allow for SEU passage. OG&E estimated the cost of the work to be \$95,802. The transmission line in the route is owned and operated by OG&E making this a sole source purchase.

**Budget Impact:** No budget impact for this action. Funding is available in the Transmission System Modification project fund.

**Prior Council Action or Part of an Approved Project:** Yes

**Related Items:** [Electric Power Generation Station Professional Services Agreement Amendments](#)

All potential routes were evaluated and it was determined that at some point on all of the routes, the new SEU transmission line would have to cross the OG&E line. There is no physical way to complete the project without the crossing.

**Recommendation:** Staff recommends that the Trustees approve the sole source purchase of OG&E transmission poles and labor up to \$100,600 (Includes a 5% contingency), and authorize expenditures for this purchase from the Transmission System Modification project account.

**Prepared by:** Loren Smith, Electric Utility Director

**Reviewed by:** Dan Blankenship, Deputy City Manager

**Submitted by:** Norman McNickle, City Manager

**Attachments:** Transmission Extension Map