
REPORT TO:

STILLWATER UTILITIES AUTHORITY

No. SUA-14-52

ISSUED BY THE CITY MANAGER - STILLWATER, OKLAHOMA

Date of Meeting: December 15, 2014

Subject: Electric Power Generation Station Professional Services Agreement Amendments

Purpose of Report: To request authorization to execute two amendments to the professional services agreement with Burns & McDonnell (BMcD) for the electric Power Generation Station (PGS) Project to perform engineering design services for modifications to the 69,000 volt transmission system and for expansion of the transmission side of Industrial Substation.

Background: On August 19, 2013, the Trustees authorized staff to enter into a professional services agreement with BMcD for design, bidding and construction management services associated with the new PGS project. The professional services agreement also included services for a new transmission/distribution substation located at the new PGS site.

The City of Stillwater owns and operates a 69,000 volt transmission system that connects the transmission substations to the distribution substations. The power from the new PGS will flow through the new substation at the PGS onto the transmission system and out to the distribution substations.

Discussion: The proposed transmission system modifications complement the new PGS construction project. The modifications will increase reliability of the transmission system and more effectively manage the power output from the new PGS. The transmission system modifications will allow the new PGS 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.

The transmission system modification will also provide a second power feed to Industrial Substation thereby increasing electric service reliability to a number of the City's industrial and residential customers. Industrial Substation was built to accommodate future expansion, specifically with the provision for a second bay to receive an additional transmission line. The substation expansion design services are for the second bay and transmission line. Both the transmission modifications and the substation expansion were planned to occur in the future as a part of the 20 year capital improvement plan but have been moved up to support the new PGS project.

The two attached scopes of work are for the engineering design services needed to perform the transmission system modifications and to expand the transmission side of Industrial Substation. While the engineering for both transmission system modifications will be performed by BMcD, the procurement of materials and equipment and the construction work will be performed by Stillwater Electric Utility staff.

Budget Impact: The funds required for the engineering design services needed for the transmission system modifications and to expand the transmission side of Industrial Substation will come from the Rate Stabilization Fund (RSF). Funding for materials for this project will also come from the RSF.

Recommendation: It is recommended that the Trustees:

1. Authorize staff to execute an amendment to the professional services agreement with Burns & McDonnell in the amount of \$115,000 and authorize expenditures from the electric RSF up to \$120,750 (includes a 5% contingency) for the engineering design services needed to perform transmission system modifications.
2. Authorize staff to execute an amendment to the professional services agreement with Burns & McDonnell in the amount of \$164,000 and authorize expenditures from the electric RSF up to \$172,200 (includes a 5% contingency) for the engineering design services needed to expand the transmission side of Industrial Substation.

Prepared by:

Reviewed by City Manager's Office:

Reviewed by City Attorney's Office:

Date of Preparation:

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John E. Dorman, City Attorney

December 10, 2014

Submitted by:



Dan Galloway
City Manager