



CHELAN COUNTY

# **Substations Program – Phase 1 Bundle**

Application to use the Progressive D/B Delivery Method  
September 28, 2023 Presentation

“To provide sustainable, reliable utility services that enhance the quality  
of life in Chelan County.”

# Agenda

- Introductions
- Chelan County PUD
- The Project
- Project Budget & Funding
- Project Schedule
- Why Progressive Design-Build
- Public Benefit
- CCPUD Team Qualifications
- Organization Chart
- Equity and Inclusion
- Summary



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# Introductions

# The Project Team – Here Today

## Chelan County Public Utility District No. 1

- Brett Bickford, Managing Director – Generation & Transmission
- Steve Wickle, Interim Director of Transmission and Compliance
- Casey Hall, Principal Project Manager
- Lance Beyer, Project/Construction Manager

## Perkins Coie

- Graehm Wallace, D/B Legal Advisor

## Parametrix

- Jim Dugan, PDB Advisor
- Dan Cody, PDB Procurement & PM/CM Support

# The Project Team: Other Members

## Chelan County Public Utilities District No. 1

- Kirk Hudson, General Manager
- Justin Erickson, Managing Director - District Services
- Katie Yount, Internal Legal Counsel

## Substation Design Advisory Consultant

- Jack Grauman, HDR Engineering
- Kevin Burke, HDR Engineering

# Chelan County PUD



# CCPUD - The District

- Chelan County PUD was **established in 1936**
- **Second largest, non-federal, publicly-owned hydro generation capacity in the U.S.**
- **800 Employees**
- **50,000 Customers**
- **3,000 sq. mile service territory**
- **Approximately 2,000 megawatts of generating capacity**
- **36 active substations**
- **335 mile of transmission lines**
- 35% of hydropower generated serves county residents, the remainder is sold through contracts and into the energy market.

# CCPUD - The District

- **Three Hydroelectric projects**
  - **Lake Chelan Dam** – Built in 1927
  - **Rock Island Dam** – First Powerhouse built in 1933, Second Powerhouse built in 1979
  - **Rocky Reach Dam** – Built in 1961
- **Other operations**
  - **Water/wastewater** – approx. 5,000 customers
  - **Fiber & telecom** – 13,000 customers
  - **Parks & recreation** – 14 parks along the Columbia River and Lake Chelan





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# The Project

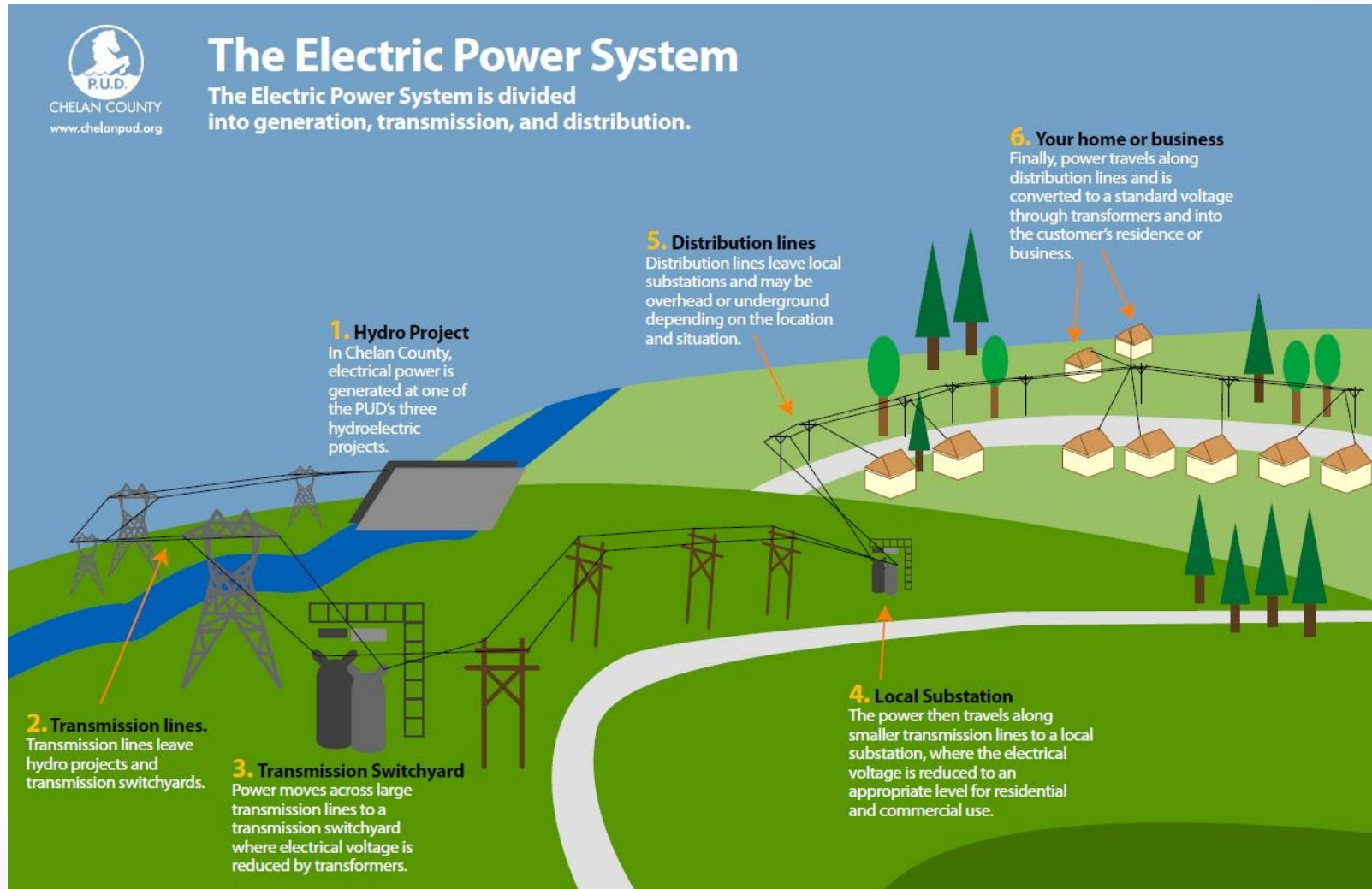
# Power System Diagram



CHELAN COUNTY  
www.chelanpud.org

## The Electric Power System

The Electric Power System is divided into generation, transmission, and distribution.



# Substations

- **15-year substation and transmission line program**
- Some **existing substations are at/near capacity**
- **Requires construction of new substations** to meet increased load
- **Dedicated substations for interconnected customers** to supply power to or distribute electricity from their connected facilities



# Projects in This Bundle

Project Name	Anticipated Design	Anticipated Const.
<b>Substation Projects that are included in this Application</b>		
Large Load Interconnect #1	Q1 2025 - Q2 2026	Q3 2026 - Q2 2027
Wenatchee Substation	Q1 2025 – Q3 2025	Q2 2025 – Q3 2026
Entiat North Substation	Q2 2025 – Q2 2026	Q2 2026 – Q3 2027
Roses Substation	Q3 2025 – Q2 2026	Q2 2026 – Q2 2027

# Substation Bundle - Phase 1 Project Budget

Category	Budget
Costs for Professional Services (A/E, Legal, etc.) (@12%)	\$ 7,428,000
Estimated project construction costs (including const. contingencies @7%)	\$ 35,072,540
Equipment and furnishing costs	\$ N/A
Off-site costs	\$ N/A
Contract administration costs (owner, cm etc.) (@13%)	\$ 8,047,000
Contingencies (design & owner) (@10%)	\$ 6,190,000
Other related project costs (briefly describe)	\$ N/A
Sales Tax (@8.34%)	\$ 5,162,460
<b>Total</b>	<b>\$ 61,900,000</b>

The above project budget is preliminary and is subject to change. CCPUD reserves the right, at its discretion, to increase or decrease the project budget, scope and schedule as required to best suit the interests of CCPUD and this first phase of bundled substation projects.

# Project Funding

- **Budget reflected in the Transmission Business Unit's 20-year financial forecast.**
- District currently plans to **fund project with a combination of cash reserves, debt funding and funds paid by interconnection customers.**
- District has most recently issued bonds for capital projects in 2020.
- Managed 5-year average capital expenditures of \$118M and an estimated total of \$173M for 2023.
- **District's current AA+ bond rating is among the highest rated public utilities in the nation.**
- **Capacity and capability to fund project is high with District's strong unrestricted cash reserves (over \$340M), low debt leverage (under 20%), and high debt coverage (4.85x).**

# Substation Bundle - PDB Project Schedule

Project Schedule	Estimated Date
<b>PRC Presentation/Approval</b>	<b>September 28, 2023</b>
<b>Publication of Ad and Release RFQ for Design/Build Services</b>	<b>December 6, 2023</b>
Project Information Meeting (Date subject to change.)	January 10, 2024
RFQ Submittal Deadline	February 19, 2024 (2:00pm)
<b>Open &amp; Review/Score Submittals Received</b>	<b>February 20-27, 2024</b>
<b>Identify Finalists &amp; Issue RFP &amp; Proprietary Meeting Notifications</b>	<b>March 1, 2024</b>
Proprietary Meetings	March 28-29, 2024
RFP Submittal Deadline (Proposals & Cost Factors)	April 14, 2024 (2:00pm)
<b>Open &amp; Review Proposals (Cost Factors not reviewed)</b>	<b>April 24-May 1, 2024</b>
Interviews w/ DB Finalists	May 2-3, 2024
<b>Open Cost Factors &amp; Score Proposals</b>	<b>May 6, 2024</b>

# Substation Bundle – PDB Project Schedule (cnt'd.)

Project Schedule	Estimated Date
<b>Notify Design/Builders of Scoring and Most-Qualified Design/Builder</b>	<b>May 8, 2024</b>
Statutory Protest Period	May 9-14, 2024
Design/Build Contract & Preconstruction Fee Negotiation	May 15-June 5, 2024
Board of Commissioners Approval of Design-Build Contract	June 2024
Execute Design-Build Contract with Preconstruction Services	June 2024
<b>Issue Notice to Proceed</b>	<b>July 2024</b>

The project schedule above is preliminary and is subject to change as the RFQ and RFP are being developed by the CCPUD team.





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# Why PDB Delivery?

# RCW 39.10 - D/B Compliance

**(5.1) If the construction activities are highly specialized and a D/B approach is critical in developing the construction methodology**

- **Power substation design and construction is a specialty**
- Significant amount of time spent:
  - Developing access routes
  - Acquiring permits from State and Federal Agencies
  - Securing public and private easements
- **Complicated logistics planning required**
- **Phased construction sequencing and outage coordination ensure continuity of delivery**

# RCW 39.10 - D/B Compliance (cnt'd.)

**(5.2) If the project provides opportunity for greater innovation and efficiencies between the designer and builder**

- **Developing logistics plan during design** will allow the design to reflect the required logistics
- Specialty design and construction **allows “lessons learned” to be incorporated into design**

**(5.3) If significant savings in project delivery time would be realized**

- **Ability to procure long-lead items** so that they are available to meet schedule
- CCPUD, Contractor and Design Team **can collaborate and strategize** to develop construction phasing and ramping plans **to reduce construction timelines and deliver power in a timely manner**



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# Public Benefit

# Benefits of PDB Delivery

- **Cost Savings Benefits:**
  - **Only one contract to manage**
  - Contractor on the team during design:
    - Collaboration with the design team
    - **Designing to a budget**
    - **Ongoing value engineering and constructability**
    - **Provide market forecasts** on materials, equipment and labor
    - **Early procurement of materials** and equipment when market conditions dictate costs savings
  - **Reduced risk of change orders** from errors and omissions
  - Establish **cost certainty earlier** in the project
- **Schedule Benefits**
  - **Contractor involved in developing and updating schedule during design**
  - **Contractor “owns” the schedule**
  - Early procurement of materials and equipment for long-lead items



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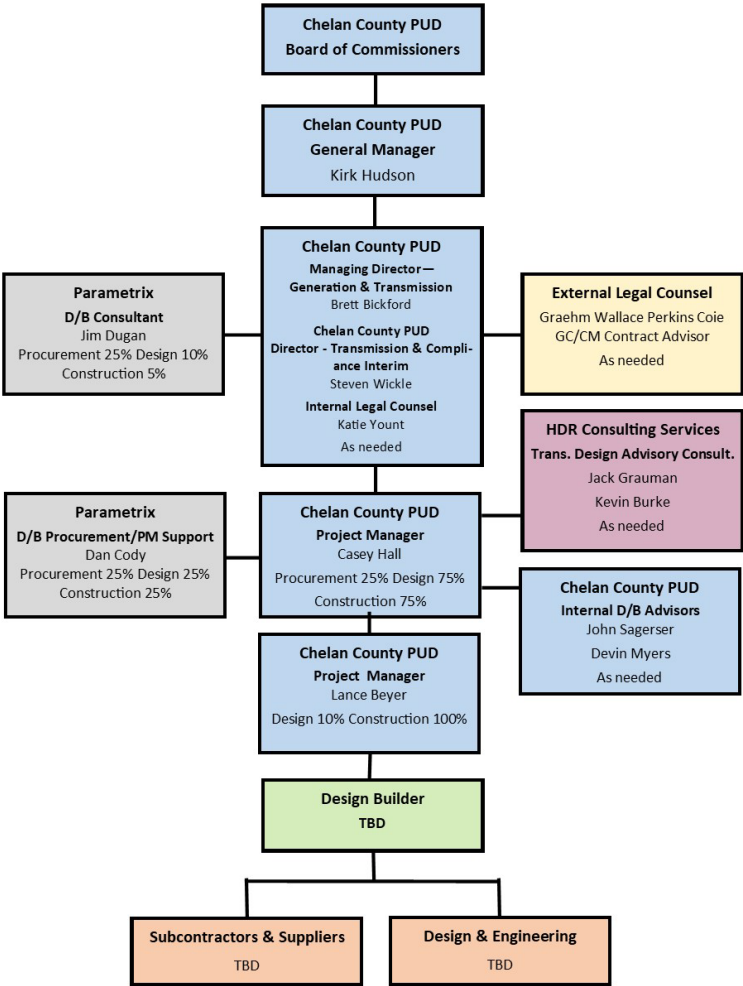
# CCPUD Qualifications

# CCPUD Leadership Team

- **CCPUD has extensive construction experience** including projects of similar scope and complexity
  - Most have been delivered using Design-Bid-Build or Negotiated Contract.
  - **Long track record of delivering projects on-time and within budget.**
- **CCPUD is currently using the Progressive Design Build** method of project delivery at Rock Island Dam Powerhouse #2 rehabilitation.
  - John Sagerser
  - Devin Meyers
  - Katie Yount
- **CCPUD team members (Casey Hall & Lance Beyer) are registered to attend the upcoming DBIA Certification Workshop on October 11<sup>th</sup>.**
- **Augmentation with Consultants who bring additional DB experience:**
  - **Parametrix:** Jim Dugan, PDB Advisor and Dan Cody, PDB PM Support
  - **HDR Engineering:** Jack Grauman, PE and Kevin Burke
  - **Perkins Coie:** Graehm Wallace, External D/B Legal Counsel

**CCPUD satisfies the public body qualifications with internal staff and augmentation by consultants.**

# Substation Bundle - Project Organizational Chart



**CHELAN COUNTY PUD  
PROJECT ORGANIZATION CHART**





# Project Team Experience

Name	Experience
<p><b>Brett Bickford</b>  Managing Director – Generation &amp; Transmission  Chelan County PUD</p>	<p><b>35 yrs. Civil Engineering/Project Management Experience</b>  30 yrs. Hydro Engineering/Project Management Experience  Project Manager for Rocky Reach Fish Bypass System (\$110M 2001 to 2003)  Project Manager for Rock Island Powerhouse 1 Rehab (\$225M 2003 to 2025)  Director of Engineering and Project Management (2014 to 2022)</p>
<p><b>Steve Wickle</b>  <b>Interim Director of Transmission and Compliance</b>  Chelan County PUD</p>	<p><b>27 yrs. Engineering and Operations Management Experience</b>  12 yrs. CCPUD Transmission Systems Asset Owner / Project Sponsor  Pinnacles York – Anderson Canyon 1&amp;2 Relocation  Chelan Falls – Manson Wildfire Mitigation Rebuild  Jumpoff Ridge Substation  Numerous substation upgrades</p>
<p><b>Casey Hall</b>  Principal Project Manager  Chelan County PUD</p>	<p><b>15 yrs. Power Delivery Systems Project Management Experience</b>  Project Manager for Rocky Reach Dam Central Maintenance Facility  Program Manager for Microsoft Interconnection Project – Jumpoff Ridge Switchyard  Program Manager for Plain to Lake Wenatchee Transmission Line Resiliency Project</p>
<p><b>Katie Yount</b>  Internal Legal Counsel  Chelan County PUD</p>	<p>25 yrs. Legal Counsel Experience  <b>3 DB Projects:</b> CCPUD – RI Dam Draft Tube Gates, RI Dam Generator Leads, RI Dam Powerhouse #2 Turbine Generator Rehab</p>
<p><b>Lance Beyer</b>  Project/Construction Manager  Chelan County PUD</p>	<p><b>5 yrs. Transmission System Project/Construction Management Experience</b>  Construction Manager for Goodwin Bridge Relocation Project  Construction Manager for Pinnacles York – Anderson Canyon 1&amp;2 Relocation  Project Manager for Chelan Falls – Manson Wildfire Mitigation Rebuild  Project Manager for Plain to Lake Wenatchee Transmission Line Resiliency Project</p>

Name	Experience
<p><b>Jim Dugan</b> D/B Program Advisor Parametrix</p>	<p><b>45 yrs. Program/Project Management</b>  <b>30+ DB Projects including:</b> CCPUD – RI Dam Draft Tube Gates, RI Dam Generator Leads, RI Dam Powerhouse #2 Turbine Generator Rehab; TPS – Maritime Center, Bryant Montessori, Fawcett ES, Downing ES, Hunt MS; Multiple large D/B projects worldwide with The Austin Company  <u>Project Review Committee Member:</u> 2016-current, current term ends June 2026</p>
<p><b>Dan Cody</b> D/B Procurement and PM Support Parametrix</p>	<p><b>35 yrs. of Design &amp; Project Management/Construction Management</b>  <b>20+ DB Projects including:</b> CCPUD – RI Dam Draft Tube Gates, RI Dam Generator Leads, RI Dam Powerhouse #2 Turbine Generator Rehab; TPS – Maritime Center, Bryant Montessori, Fawcett ES, Downing ES, Hunt MS; Willapa ES New Gym; SPSCC – Lacey Campus; Building #1</p>
<p><b>Graehm Wallace</b> Outside Legal Counsel Perkins Coie</p>	<p><b>26 yrs. of Construction Law Experience</b>  <b>25+ DB Projects including:</b> CCPUD – RI Dam Draft Tube Gates, RI Dam Generator Leads, RI Dam Powerhouse #2 Turbine Generator Rehab; TPS – Maritime Center, Bryant Montessori, Fawcett ES, Downing ES, Hunt MS</p>



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# Equity and Inclusion

# WBE/MBE/SBE & Local

- Because of the location and highly specialized nature of this type of work, equity/inclusion efforts can be challenging.
- Our goals for this program of projects are to foster inclusion with our selected contractor and utilize WBE/MBE/SBE & local businesses to the extent possible.

# Summary

- ☑ **DB provides substantial fiscal benefit**
- ☑ **Project meets qualifying RCW criteria**
  - Highly specialized construction
  - Opportunity for greater innovation & efficiency
  - Savings in project delivery time
- ☑ **CCPUD team, and consultants, have the necessary experience**
  - DB delivery knowledge & experience
  - Sufficient PM/CM staff w/ construction experience
  - Clear and logical written management plan
  - Necessary funding and time for the project
  - Continuity of PM team w/ experience in project type/scope
  - Appropriate construction budget
- ☑ **CM personnel are knowledgeable in DB and capable to oversee and administer contract**
- ☑ **CCPUD has no unresolved audit findings on previous projects**

**The CPUD project team is prepared and ready to proceed!**



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**Thank you!**