



Moody/McCormick

RESOLUTION NO. 6600

WHEREAS, to achieve its mission to provide affordable, reliable, and environmentally sensitive energy to its customers, the Omaha Public Power District (“OPPD”) needs an operations center to support a resilient, reliable and growing electric power system; and

WHEREAS, OPPD plans to develop and construct an Integrated Operations Center (IOC) facility that will house functions critical to the operation of the District’s electric system; and

WHEREAS, the District’s Engineer has certified that the facility and work to be performed is technically complex and that it will be essential to address in a negotiated contract or contracts applicable pricing strategies, capabilities, risks, and specific techniques employed by the selected contractor; and

WHEREAS, for these reasons, the District’s Engineer has certified that the use of sealed bidding would be impractical and not in the public interest; and

WHEREAS, pursuant to Nebraska Revised Statute Section 70-637 (as amended), and upon approval of the Engineer’s Certification by the Board of Directors, the District may negotiate and enter into a contract or contracts related to such project without sealed bidding.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Omaha Public Power District that:

1. The Engineer’s Certification requesting that the Board waive the sealed bid requirements of Nebraska Revised Statutes Sections 70-637 through 70-639 is hereby approved.
2. Management is hereby authorized and directed to negotiate and enter into the necessary contract or contracts to procure materials and services for the Integrated Operations Center, subject to compliance with applicable law and review and approval of the final contract(s) by the District’s General Counsel.
3. The notice required by Nebraska Revised Statutes Section 70-637 shall be published in the Omaha World Herald, or other similar newspaper of general circulation.



DATE: October 3, 2023
FROM: D. G. Peterchuck
TO: K. S. McCormick
SUBJECT: Integrated Operations Center

1.0 GENERAL

It is requested that the District negotiate and enter into a contract or contracts for the construction of OPPD's Integrated Operations Center (IOC).

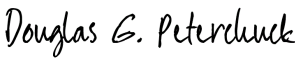
In the future and coming decades, OPPD will transform the way it generates, delivers, and manages power. This transformation will range from constructing new generation, upgrading and adding to its transmission and distribution systems, and installing state-of-the-art technology that controls and manages the bulk power system. Centric to this transformation will be the construction of an Integrated Operations Center (IOC). This new facility will be critical in operating the grid of the future and to meet the needs of the District's customer-owners. The Integrated Operations Center will be home to Transmission and Distribution Operations, Energy Marketing and Trading, Generation Operations, Advanced Metering Infrastructure Operations, the District's primary data center, security operations, and all associated support personnel.

The construction of facilities of this type is very complex and requires detailed planning and coordination efforts involving the entire project team, including District staff, design professionals and constructional personnel and trade partners. Collaboration among the project team on construction means and methods, material procurement, scheduling and project budgeting are paramount to the success of a project of this scale.

There are a limited number of vendors capable of constructing an Integrated Operations Center. Construction vendors will be required to build the IOC to meet various electric utility industry standards, meet weather resiliency criteria, understand the requirements of constructing a highly secure facility, and ensure the proper installation of applicable technologies. Based on this, it is necessary that OPPD openly discuss all the challenges in constructing such a facility with potential construction vendors. Open discussions via negotiations will ensure OPPD understands and agrees with the construction vendors' scope of work and cost.

2.00 RECOMMENDATION

An Engineer's Certification to support this position has been prepared. We request the Board of Directors to approve the Engineer's Certification and to authorize management to enter into a contract or contracts for the construction of OPPD's Integrated Operations Center.

DocuSigned by:

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Douglas G. Peterchuck, P.E.
Director, Enterprise Operational Technology

ENGINEER'S CERTIFICATION

OPPD plans to develop and construct an Integrated Operations Center (IOC) that will house numerous functions critical to the operation of the District's electric system.

The IOC is subject to North American Electric Reliability Corporation (NERC) Standards, including but not limited to the following: Physical and Cyber Security Standards, Transmission Operations Standards, Emergency Operations Standards, Operations Personnel Standards, and Power Control Standards.

The IOC equipment and technology will be designed and constructed to provide proper situational awareness and communication between system operators and support personnel. Due to the applicability of NERC standards and the unique design and planned functions of the IOC, there are a limited number of contractors capable of constructing this facility. The IOC contractor will be required to build the IOC to meet applicable NERC standards, to meet weather resiliency criteria that allow twenty-four-hour operation of the facility, and to meet the requirements of constructing a highly secure facility. It will be essential that OPPD have the ability to openly discuss with potential contractors the requirements and challenges in constructing such a facility so that OPPD achieves a cost-effective contract for the IOC that adequately addresses all technical, cost, schedule, responsibility, and risk allocation factors.

For all of the foregoing reasons, the undersigned professional engineer certifies that due to the technological complexity of this project, the use of the statutory sealed bidding process set forth in Section 70-637 of the Nebraska Revised Statutes is impractical and not in the public interest.

Pursuant to Section 70-637 of the Nebraska Revised Statutes, as amended, the Board of Directors is requested to approve this Engineer's Certification and authorize Management to negotiate and enter into a contract or contracts with qualified contractors for the construction of OPPD's Integrated Operations Center without use of the sealed bidding requirements of sections 70-637 to 70-639 of the Nebraska Revised Statutes.

I, Douglas G. Peterchuck, registered Professional Electrical Engineer in the State of Nebraska, certify the above to be true and correct to the best of my knowledge and belief.



Douglas G. Peterchuck P.E.

October 6th, 2023
Date





Stephen M. Bruckner
ATTORNEY
402.978.5225
sbruckner@fraserstryker.com
fraserstryker.com

October 4, 2023

Omaha Public Power District
444 South 16th Street
Omaha, NE 68102

RE: Engineer's Certification-Integrated Operations Center

Ladies and Gentlemen:

We have reviewed the Engineer's Certification of Douglas Peterchuck, P.E., a professional engineer employed by the District. Mr. Peterchuck explains that the District plans to develop and construct an Integrated Operations Center (IOC) that will house numerous functions critical to the operation of the District's electric system, including Transmission and Distribution Operations, Energy Marketing and Trading, Generation Operations, Advanced Metering Infrastructure Operations, and other technical and security-related operations. He states in the Certification that there are a limited number of contractors capable of providing such a facility and system for the District, and that District personnel must be able to openly discuss with potential bidders the regulatory standards, security, and other requirements applicable to this complex facility in order to achieve a cost-effective contract for the IOC that adequately addresses all technical, cost, schedule, responsibility, and risk allocation factors. Mr. Peterchuck certifies that due to the technical complexity of the project it would be impractical and not in the public interest to utilize the statutory sealed bid process.

Section 70-637 of the Nebraska Revised Statutes authorizes the District's Board of Directors, by a two-thirds vote, to approve an Engineer's Certification for technically complex or unique projects when it is impractical or not in the public's interest to utilize sealed bidding, and to authorize the District to enter into a contract or contracts to complete the proposed project. The District is required to advertise its intention to enter into any such contract in three (3) issues of one or more newspapers of general circulation in the district, with not less than seven (7) days between issues, and in additional newspapers or trade or technical periodicals, if any, selected by the board. The contract or contracts cannot be entered into sooner than twenty (20) days after the last advertisement.

It is our opinion that Mr. Peterchuck's Engineer's Certification complies with Section 70-637 of the Nebraska Revised Statutes and is in a form that is appropriate for approval by the District's Board of Directors. Therefore, the Board of Directors may approve the Engineer's Certification and authorize Management to negotiate and enter into the necessary contract or contracts with a qualified contractor(s) for the construction of the District's Integrated Operations Center without utilizing the statutory sealed bid process. We recommend that the form of the contract(s) for this project be reviewed and approved by the District's General Counsel.

Fraser Stryker PC LLO

500 Energy Plaza, 409 South 17th Street, Omaha, NE 68102 — TEL: 402.341.6000 — FAX: 402.341.8290

Omaha Public Power District

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Very truly yours,



Stephen M. Bruckner

FOR THE FIRM

SMB/sac

3049643



Board Action

BOARD OF DIRECTORS

October 17, 2023

ITEM

Integrated Operations Center (IOC)

PURPOSE

To construct the District's new Integrated Operations Center (IOC).


FACTS

- a. The District hired HDR+BAW Architecture in May 2023 as the architect and engineer for the project.
- b. Project programming began in June 2023 and will be complete in November 2023. Design will commence upon completion of programming and is planned through the fourth (4th) quarter of 2024. Construction is planned to begin in the third (3rd) quarter of 2024 with an initial construction bid package for grading and site work.
- c. The construction of the Integrated Operations Center facilities is highly complex and requires detailed planning and coordination efforts among the project team.
- d. The District project team desires to bring a construction contractor on board early in the design process to provide preconstruction services and then proceed with project construction upon design completion.
- e. There are a limited number of contractors with the qualifications, expertise, and experience to construct an Integrated Operations Center.
- f. The District's engineer has certified that the work is technically complex and that the use of the sealed bid process is impractical and not in the public's best interest. It is essential the District's project team openly discuss with potential contractors the requirements and challenges in constructing such a facility so that OPPD achieves a cost-effective contract for the IOC that adequately addresses all technical, cost, schedule, responsibility, and risk allocation factors.

ACTION


Approval of the Engineer's Certificate and authorization for Management to negotiate and enter into a contract or contracts with one or more qualified contractors for the construction of OPPD's Integrated Operations Center without use of the sealed bidding requirements of sections 70-637 to 70-639 of the Nebraska Revised Statutes.

RECOMMENDED:



 Kevin S. McCormick
 Vice President – Safety and Facilities

APPROVED FOR BOARD CONSIDERATION:



 L. Javier Fernandez
 President and Chief Executive Officer

KMTO:jdf

Attachment: Letter of Recommendation
 Engineer's Certificate
 Legal Opinion
 Resolution