



McGuire/Fisher

**RESOLUTION NO. 6188**

**WHEREAS**, the District needs to procure dry cask storage systems in order to transfer spent nuclear fuel to the Independent Spent Fuel Storage Installation at Fort Calhoun Station; and

**WHEREAS**, the District's Engineer has certified that due to the complexity and highly technical nature of the equipment, the use of the statutory sealed bidding process is impractical and not in the public interest; and

**WHEREAS**, Management accordingly seeks approval to negotiate and enter into a contract with a qualified vendor to fabricate and load dry cask storage.

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

1. The Engineer's Certificate requesting that the Board waive the sealed bid requirements, in accordance with Nebraska Revised Statutes Sections 70-637 through 70-639, is hereby approved.
2. Management is hereby authorized and directed to negotiate and enter into a contract with a qualified vendor fabricate and load dry cask storage, subject to approval of the contract by the District's General Counsel.
3. The notice required by Nebraska Statute 70-637 shall be published in the Omaha World-Herald.



# Board Action

June 15, 2017

## ITEM

Fort Calhoun Station Decommissioning Dry Cask Storage Campaign

## PURPOSE

Authorize management to negotiate and enter into a contract with a dry cask storage system supplier at Fort Calhoun Nuclear Station.

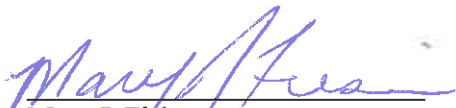
## FACTS

- a. 944 fuel assemblies are in "wet storage" in the spent fuel pool. Additional dry fuel canisters need to be procured from one or more of the available dry storage system suppliers in order to load the 944 irradiated assemblies and transfer to the ISFSI.
- b. The decommissioning dry cask campaign is different than previous campaigns that have occurred at the site because all fuel will be moved to storage. The three major vendors will need NRC licensing approval to support the removal of all fuel assemblies to dry storage.
- c. Due to the different cask designs, civil constraints associated with the site needs to be reviewed and addressed with the potential vendors and suppliers in order to determine and/or reduce potential modifications necessary.
- d. The licensing, fabrication, and loading work involved relates directly to radioactive material and the energy therefrom, is complex and of a highly technical nature. Only vendors who have demonstrated successful dry cask campaigns of this nature will be considered.
- e. Compliance with the sealed bidding provisions of Nebraska Revised Statutes Sections 70-637 to 70-639 would be impractical and not in the public interest.

## ACTION

Authorization by the Board to negotiate and enter into a contract with a qualified vendor to fabricate and load dry cask storage at Fort Calhoun Station.

## RECOMMENDED:

  
Mary J. Fisher

## APPROVED FOR REPORTING TO BOARD COMMITTEE:

  
Timothy J. Burke

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

# Memorandum

DATE: June 15, 2017

FROM: T.E. Maine

TO: M.J. Fisher

SUBJECT: Fort Calhoun Station Decommissioning Dry Cask Storage Campaign

## 1.00 GENERAL

It is requested that the District negotiate and enter into a contract for the purchase of Dry Cask Storage for Fort Calhoun Station (FCS). A total of 1,264 irradiated fuel assemblies have been generated at FCS between 1973 and 2016. At present, 320 irradiated fuel assemblies have been transferred to the onsite FCS Independent Spent Fuel Storage Installation (ISFSI). The remaining 944 fuel assemblies are in "wet storage" in the spent fuel pool. Additional dry fuel canisters need to be procured from one or more of the available dry storage system suppliers in order to load the 944 irradiated assemblies and transfer to the ISFSI. It is necessary to purchase a dry cask storage system for additional long-term spent fuel storage at FCS due to the lack of an operational Department of Energy (DOE) permanent repository or a private fuel storage facility.

Current available designs all involve dry cask storage, whereby 24-37 fuel assemblies are stored in steel-lined concrete casks. The system involves multi-purpose canisters in to which the fuel is loaded: a transfer cask, which encases the canister and is used to transport the loaded canister to the storage cask; and an on-site overpack which encases the multipurpose canister for long-term storage. If the fuel is later to be moved offsite, the multi-purpose canister would be transferred out of the storage overpack into a transport overpack for shipment. Ancillary equipment will be purchased to transport the casks from the plant to the ISFSI and place the canisters in to the casks. Dry cask operations will continue until all spent fuel is shipped from the site. It is estimated that a total of 26-30 casks would be needed, depending upon design.

The project as planned will involve the following major tasks:

1. Fabrication of dry fuel canisters, damaged fuel canisters, and overpacks
2. Leasing or purchase of ancillary equipment necessary (transfer cask, lifting yoke, and transporter)
3. Procedure and training development
4. Licensing
5. Dry runs
6. Cask loading and transport

There are a limited number of vendors worldwide capable of supplying dry storage systems and these systems vary in design. Because of the various cask designs and the unique equipment associated to each cask design, it is critical that OPPD openly discuss and resolve these technologically complex issues and interface with potential vendors and suppliers regarding FCS specific requirements. Open discussions via negotiations will allow the dialogue necessary to resolve these complex issues and ensure OPPD understands and agrees with the scope of the vendor's work. It would be impractical and not in the public interest to obtain sealed bid proposals based on the following:

- The decommissioning dry cask campaign is different than previous campaigns that have occurred at the site because all fuel will be moved to dry storage. The three major vendors will need NRC licensing approval to support the removal of all fuel assemblies to dry storage.
- Due to the different cask designs, civil constraints require review with the potential vendors and suppliers in order to determine and/or reduce potential modifications necessary.

The licensing, fabrication, and loading work involved is complex and of a highly technical nature. A negotiated contract would be in the best interest of the District by allowing a thorough analysis and subsequent dialogue of potential cask system options. As the dry cask project is technically complex and relates to radioactive material or the energy therefrom, the use of the statutory sealed bidding process set forth in Section 70-637 of the Nebraska Revised Statutes is impractical.

## 2.00 RECOMMENDATION

An Engineer's Certification to support this position has been prepared. Approval of that Certification is recommended. We request the Board of Directors to approve the Engineer's Certification and to authorize management to negotiate and enter into a contract with a dry cask storage system supplier.



T.E. Maine

Director –

Projects, Radiation Protection, & Chemistry

## ENGINEER'S CERTIFICATION

A total of 1,264 irradiated fuel assemblies have been generated at Fort Calhoun Station (FCS) between 1973 and 2016. At present, 320 irradiated fuel assemblies have been transferred to the onsite FCS Independent Spent Fuel Storage Installation (ISFSI). The remaining 944 fuel assemblies are in "wet storage" in the spent fuel pool. In order to reduce cost and risk to the District, the 944 fuel assemblies will be loaded into dry fuel canisters and transferred to the ISFSI by 2022. It is necessary for OPPD to purchase a dry cask storage system for additional long-term spent fuel storage at FCS due to the lack of an operational Department of Energy (DOE) permanent repository or a private fuel storage facility.

There are a limited number of vendors worldwide capable of supplying dry storage systems and these systems vary in design. Because of the various cask designs and the unique equipment associated to each cask design, it is critical that OPPD openly discuss and resolve these technologically complex issues and interface with potential vendors and suppliers regarding FCS specific requirements. Open discussions via negotiations will allow the dialogue necessary to resolve these complex issues and ensure OPPD understands and agrees with the scope of the vendor's work. It would be impractical and not in the public interest to obtain sealed bid proposals based on the following:

- The decommissioning dry cask campaign is different than previous campaigns that have occurred at the site because all fuel will be moved to dry storage. The three major vendors will need NRC licensing approval to support the removal of all fuel assemblies to dry storage.
- Due to the different cask designs, civil constraints require review with the potential vendors and suppliers in order to determine and/or reduce potential modifications necessary.

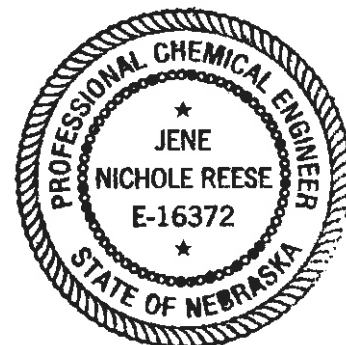
Therefore, the undersigned professional engineer employed by the Omaha Public Power District certifies that, because the dry cask project is technologically complex and relates to radioactive material or the energy therefrom, the use of the statutory sealed bidding process set forth in Section 70-637 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 with a qualified vendor to fabricate and load dry cask storage without compliance with the sealed bidding requirements of Sections 70-637 to 70-639 of the Nebraska Revised Statutes.

I, Jené Reese (registered Professional Engineer in the State of Nebraska), certify the above to be true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Jené N. Reese, P.E.

5/31/17  
\_\_\_\_\_  
Date



# FRASER STRYKER

PC LLO

LAWYERS

500 ENERGY PLAZA  
409 SOUTH 17TH STREET  
OMAHA, NEBRASKA 68102-2663  
TELEPHONE 402.341.6000  
FAX 402.341.8290  
WWW.FRASERSTRYKER.COM

STEPHEN M. BRUCKNER  
DIRECT DIAL: 402.978.5225  
SBRUCKNER@FRASERSTRYKER.COM

May 30, 2017

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

RE: Procurement of Dry Cask Storage Equipment, Fort Calhoun Station (FCS)

Ladies and Gentlemen:

We have reviewed the Engineer's Certification of Jené N. Reese, a registered professional engineer in the State of Nebraska employed by the District. Ms. Reese's Engineer's Certification states that it is necessary for the District to procure additional dry cask storage canisters and related equipment to store spent fuel from FCS. Ms. Reese explains that there are a limited number of vendors worldwide capable of supplying dry storage systems, and, because there are various cask designs, and there is equipment unique to each cask design, it is critical that OPPD openly discuss and resolve the technologically complex issues and interface with potential vendors and suppliers. Ms. Reese certifies that the procurement relates to radioactive material and that it would be impractical and not in the public interest to utilize the statutory sealed bidding process for the procurement of this technologically complex equipment. The Engineer's Certification requests that the Board of Directors approve the Certification and authorize District Management to negotiate and enter into a contract with a qualified vendor to fabricate and load dry cask storage without compliance with the sealed bidding requirements of Sections 70-637 to 70-639 of the Nebraska Revised Statutes.

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 technologically complex or unique equipment projects and projects relating to radioactive material, and to authorize the District to enter into a contract to procure the equipment and related services without utilizing the statutory sealed bid process. The District is required to advertise its intention to enter into any such contract in three (3) newspapers of general circulation within the District's service area, with not less than seven (7) days between issues. The contract cannot be entered into sooner than twenty (20) days after the last advertisement.

It is our opinion that Ms. Reese's Engineer's Certification complies with Section 70-637 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 with a qualified vendor to fabricate and load dry cask storage for spent nuclear fuel. We recommend that any such contract be subject to review and approval by the District's general counsel.

Very truly yours,



Stephen M. Bruckner  
FOR THE FIRM

SMB/sac  
1689290