

Moody/Via

RESOLUTION NO. 6598

WHEREAS, the Sarpy County Station Unit 5 ("SC5") was taken out of service for routine inspection and significant damage on both the "A" power turbine and the "B" power turbine was found that require repair to avoid further damage; and

WHEREAS, the District's Engineer has certified that the original equipment manufacturer, Mitsubishi Power Aero LLC ("Mitsubishi"), is the only available source of supply for these repairs due to the technologically complex and proprietary design of the equipment; 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 that Mitsubishi, the original equipment manufacturer, is the only available source of supply for the parts and technical expertise needed to repair the SC5 "A" and "B" power turbines is hereby approved.
2. Management is hereby authorized and directed to negotiate and enter into the necessary contract or contracts with Mitsubishi to supply parts and specialized services for the repair of the SC5 "A" and "B" power turbines, subject to 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 4, 2023

UO-2023-21

FROM: S.A. Eidem

TO: T.R. Via

SUBJECT: Sarpy County Station Unit 5 'A' and 'B' Power Turbine Repairs

1.0 GENERAL

OPPD utilizes regular internal inspections to detect wear and damage that could adversely impact the reliability of the gas and power turbines. Sarpy County Station Unit 5 (SC5) was removed from service on September 17th, 2023 to perform this internal inspection.

The inspection revealed critical portions of both 'A' and 'B' power turbines to be in a degraded condition. The equipment has been removed from service in consult with the Original Equipment Manufacturer (OEM) to avoid further damage. The SC5 'A' and 'B' power turbines were last sent to the OEM for full internal inspections and repairs in 2008 and 2012, respectively.

The power turbines will be sent to the OEM, Mitsubishi Power Aero LLC (formerly Pratt & Whitney Power Systems, Inc.), for disassembly, evaluation and refurbishment. Additionally, recommended upgrades per existing service bulletins will be completed as part of the scope of work to mitigate the reliability risk of other known issues with this equipment.

OPPD relies upon the fully rated generation capacity output from Sarpy County Station Unit 5 to meet our obligations within the Southwest Power Pool integrated market as well as local system reliability. Until the power turbines are repaired, the unit has been removed from service. Following repairs to the power turbines, the unit will be returned to service.

Compliance with the sealed bidding requirements of the Nebraska Statutes is impractical and not in the public's interest. Mitsubishi Power Aero LLC, the original equipment manufacturer, has proprietary information regarding repair of these components. They are the only vendor with the tooling, proprietary parts, and technical expertise to perform the necessary repairs.

T.R. Via
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2.0 RECOMMENDATION

An Engineer's Certification of the above statements 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 forgo the public sealed bidding process and negotiate a sole source contract with Mitsubishi Power Aero LLC for the repair of the power turbine.

DocuSigned by:

Scott A. Eidem, P.E.

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S.A. Eidem, P.E.

Director, Engineering Services

Utility Operations

ENGINEER'S CERTIFICATE

The Sarpy County Station Unit 5 was taken out of service for routine inspection on September 17th, 2023. During the inspection, significant damage to the 1st stage vanes and blades of the 'A' power turbine was discovered. The 'B' power turbine also had visual and audible indications of internal damage identified during the inspection. The original equipment manufacturer (OEM), Mitsubishi Power Aero LLC (Mitsubishi), recommends removal of the 5A power turbine from service to avoid further damage and make necessary repairs. Due to an unknown operational risk, the 'B' power turbine was also removed from service to make necessary repairs. The disassembly, evaluation, and reassembly will require specialized parts and services to ensure reliable operation. With both power turbines out of service, Sarpy County Unit 5 will not be able to generate electricity.

The undersigned, a Nebraska professional engineer employed by the Omaha Public Power District certifies the following:

- The repair of the power turbines requires special tooling, proprietary parts, and technical expertise. As the OEM, Mitsubishi has the tooling, proprietary parts, technical expertise to properly repair the equipment.
- Mitsubishi, as the OEM, is the only available source of supply for these repairs due to the technologically complex and proprietary design of the equipment, and a sole source procurement would be consistent with standards established by the board of directors.

Pursuant to Section 70-637 of the Revised Statutes of Nebraska, the Board of Directors is requested to approve this Engineer's Certificate and authorize management to negotiate and enter a contract with Mitsubishi Power Aero LLC to repair both Sarpy County Station Unit 5 'A' and 'B' power turbines without compliance with the sealed bidding requirements of Sections 70-637 to 70-641 of Revised Statutes of Nebraska.

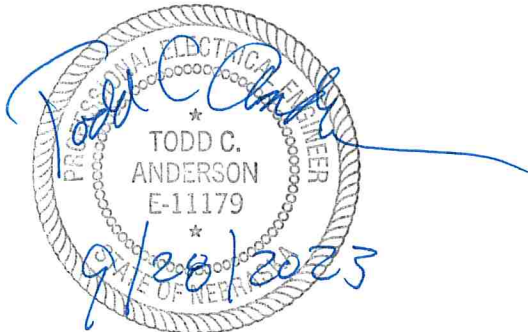
I, Todd C. Anderson (registered Professional Engineer in the State of Nebraska), certify the above to be true and correct to the best of my knowledge and belief.

Todd C Anderson

Todd C. Anderson, P.E.

9/28/2023

Date



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September 28, 2023

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

RE: Engineer's Certification-Sarpy County Station Unit No. 5

Ladies and Gentlemen:

We have reviewed the Engineer's Certification of Todd C. Anderson, P.E., a professional engineer employed by the District. Mr. Anderson's Engineer's Certification explains that it is necessary to procure the repair of the 'A' and 'B' power turbines at Sarpy County Station Unit No. 5.

Mr. Anderson's Engineer's Certification certifies that Mitsubishi Power Aero LLC ("Mitsubishi") is the original equipment manufacturer for Sarpy County Station Unit No. 5 and is the only available source of supply for the tooling, proprietary parts, and technical expertise needed to repair the unit.

Section 70-637(6) of the Nebraska Revised Statutes authorizes the District to purchase replacement parts or services for generating units from original equipment manufacturers without advertising for sealed bids, upon appropriate certification by an engineer for the District. In our opinion, Mr. Anderson's Engineer's Certification meets the requirements of Section 70-637(6) and may be approved by the Board of Directors.

Section 70-637(6) requires that a written statement containing the Engineer's Certification and a description of the purchase from the original equipment manufacturer must be submitted to the District's Board of Directors for approval at the next scheduled meeting of the Board. After receipt of the Certification, but not necessarily before the Board review, the District must publish notice of such purchase once a week for at least three (3) consecutive weeks in one or more newspapers of general circulation in the District and in any other periodicals that may have been selected by the Board.

The District may proceed to complete this sole source repair procurement from Mitsubishi, the original equipment manufacturer, subject to compliance with Section 70-637(6) as outlined above. We recommend review and approval of the contract with Mitsubishi by the District's General Counsel.

September 28, 2023
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Very truly yours,

A handwritten signature in blue ink, appearing to read "Stephen M. Bruckner". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stephen M. Bruckner
FOR THE FIRM

SMB/sac
3070950



Board Action

BOARD OF DIRECTORS

October 17, 2023

ITEM

Sarpy County Station Unit 5A and 5B Power Turbine Repairs

PURPOSE

Provide services to repair Sarpy County Station Unit 5A and 5B power turbines.

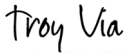
FACTS

- a. Sarpy County Station Unit 5 was inspected in September 2023 and the 'A' and 'B' power turbines were found to have damage requiring repairs.
- b. Sarpy County Station Unit 5 has been removed from service until repairs can be completed.
- c. The needed refurbishment, design modification, and repair work is proprietary and only the original equipment manufacturer (OEM), Mitsubishi Power Aero LLC, is known to have the tooling, proprietary parts, and expertise to perform the necessary repairs.
- d. The District's engineer has certified the proprietary nature of the work and that the OEM is the only available source of supply for this work.


ACTION

Approval of the Engineer's Certificate and authorization for Management to negotiate and enter into contract(s) with Mitsubishi Power Aero LLC to provide the parts and specialized services for repair of the Sarpy County Station Unit 5A and 5B power turbines.

RECOMMENDED:

DocuSigned by:

 181107221FA24AE...
 Troy R. Via
 Vice President – Utility Operations and
 Chief Operating Officer

APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:

 AC399FDCE50247E...
 L. Javier Fernandez
 President and Chief Executive Officer

TRV:bjl

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