



Moody/Underwood

**RESOLUTION NO. 6637**

**WHEREAS**, the new generating units and modifications to existing generating units at the Cass County and Turtle Creek Stations as defined in Resolutions 6582 and 6351 are Siemens Energy Inc. (“Siemens”) combustion turbines, and three existing generation units at Sarpy County Station (Unit 3) and Cass County (Units 1 and 2) also are Siemens’ combustion turbines; and

**WHEREAS**, Siemens holds proprietary technical information on the function, parts, and repair for the six planned new SGT6-5000F combustion turbines at Cass County and Turtle Creek Stations and the existing Cass County Station Units 1 and 2 and Sarpy County Station Unit 3; and

**WHEREAS**, the District’s engineer has certified that the work involved in providing parts and services for the planned new and existing Siemens generating units is technically complex, and that Siemens possesses proprietary information used in the manufacture of the Siemens turbines that is needed to reliably maintain the aforementioned critical generating assets of the District, and the District’s Engineer has, for these reasons, certified that it would be impractical and not in the public interest to use the sealed bid process to procure such long-term parts and services; and

**WHEREAS**, Pursuant to Section 70-637 of Nebraska Revised Statutes, the Board of Directors is requested to approve this Engineer’s Certification and authorize management to negotiate and enter one or more contracts with Siemens Energy, Inc. for an Operating Plant Service Agreement(s) for inspection, repair, and procurement of parts for Sarpy County Unit 3 and for the new generation units and modifications to existing units at the Cass County and Turtle Creek Stations, without the use of sealed bidding.

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

1. That the Engineer’s Certification requesting that the Board waive the sealed bid Requirements and authorize Management to enter into a negotiated contract in accordance with Nebraska Revised Statute Section 70-637 (as amended) is hereby approved.
2. That the District is hereby authorized and directed to negotiate and enter into a contract or contracts with Siemens Energy, Inc., for an Operating Plant Service Agreement(s) for inspection, repair, and procurement of parts for Sarpy County Unit 3, Cass County Units 1, 2, 3, 4 and 5, and Turtle Creek Units 1, 2, and 3, subject to review and approval of the final contract documents by the District’s General Counsel.
3. That the notice required by Nebraska Revised Statute Section 70-637 (as amended) shall be published in the Omaha World Herald.
4. That this Resolution shall replace Resolution No. 5988 with respect to Sarpy County Station Unit 3.



# Board Action

## BOARD OF DIRECTORS

March 19, 2024

### ITEM

Operating Plant Service Agreement

### PURPOSE

Approve Engineer's Certification and authorize Management to negotiate and enter into a contract with Siemens Energy, Inc., for an Operating Plant Service Agreement(s) for Sarpy County Unit 3, Cass County Units 1, 2, 3, 4 and 5, and Turtle Creek Units 1, 2, and 3.

### FACTS

- a. The new generating units and modifications to existing generating units at the Cass County and Turtle Creek Stations as defined in Resolutions 6582 and 6351 are Siemens Energy, Inc. ("Siemens") combustion turbines.
- b. Siemens holds proprietary technical information on the function, parts, and repair for the six (6) new and planned SGT6-5000F combustion turbines at Cass County and Turtle Creek Stations and the existing Cass County Station Units 1 and 2. Siemens also is the original equipment manufacturer for Sarpy County Unit 3.
- c. In light of Siemens' proprietary information regarding these generating units and the technical complexity of repair and replacement work for the units, the District's engineer has certified that it would be impractical and not in the public interest to use sealed bidding to procure the services and parts for the ongoing maintenance of these units.
- d. Additionally, Siemens offers significant discounts if the District enters into a long-term service agreement for the next 15 years on all of the existing and planned Siemens units: Sarpy County Unit 3, Cass County Units 1, 2, 3, 4 and 5, and Turtle Creek Units 1, 2, and 3.

### ACTION

Approval of the Engineer's Certification and authorization for Management to negotiate and enter into a contract(s) with Siemens Energy, Inc., for an Operating Plant Service Agreement(s) for inspection, repair, and procurement of parts for Sarpy County Unit 3, Cass County Units 1, 2, 3, 4 and 5, and Turtle Creek Units 1, 2, and 3, subject to review and approval of the final contract documents by the District's General Counsel.

#### RECOMMENDED:

DocuSigned by:

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Bradley R. Underwood  
Vice President – Systems Transformation

#### APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:

AC399FDCE56247E

L. Javier Fernandez  
President and Chief Executive Officer

BRU:jg

Attachments: Engineer's Certificate  
Legal Opinion  
Resolution

## ENGINEER'S CERTIFICATION


Pursuant to authorization by the Board of Directors in Resolutions 6582 and 6351, OPPD has contracted with Siemens Energy, Inc. ("Siemens") to procure new generating units and OPPD is pursuing modifications to existing Siemens generating units at Cass County Station. Siemens holds proprietary technical information on the function, parts, and repair for the six new SGT6-5000F combustion turbines at Cass County and Turtle Creek Stations and the existing Cass County Station Units 1 and 2.

Siemens also is the original equipment manufacturer for Unit No. 3 at the Sarpy County Station. On February 12, 2014, the Board of Directors adopted Resolution 5988 to obtain the inspection and repair of and necessary parts for a Sarpy County 3 overhaul, the redesign/replacement of the Cass County 1 and Cass County 2 lube oil coolers, and to authorize a 10-year service agreement for Sarpy County 3 and Cass County 1 and 2. Resolution 5988 covers replacement parts for Sarpy County 3 and expires in 2025. Sarpy County 3 is nearing a manufacturer's recommended major inspection outage milestone based on unit start and equivalent operating hours. Siemens has historical and technical knowledge of the maintenance and repairs of this unit and that expertise provides value to the District by controlling outage costs and ensuring reliability for a critical District generation asset.

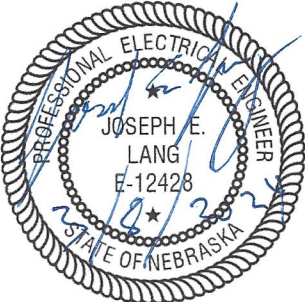
The work involved in providing parts and services for the planned new and existing Siemens generating units is technically complex, and Siemens possesses proprietary information used in the manufacture of the Siemens turbines that is needed to reliably maintain the aforementioned critical generating assets of the District. Recognizing that technologies of these new generation units and existing units are proprietary to Siemens, and that Sarpy County 3 is nearing a recommended major inspection, it is most cost effective and in the best interest of the District to negotiate a contract with Siemens that covers the necessary scope of work, inspections, repairs, and procurement of parts for all of the Siemens units at the Sarpy County, Cass County, and Turtle Creek Stations. Furthermore, due to the technical complexity of repair and replacement work for these units, coupled with, Siemens' detailed engineering knowledge to conduct repairs, and the mitigation of risk to reliability for the District, it is in the best interest of the District to negotiate a contract with Siemens for a comprehensive Operating Plant Service Agreement ("OPSA") covering all such units. This approach will secure significant discounts for parts and services from Siemens due to the scale of the proposed OPSA. For all of the foregoing reasons, and pursuant to Section 70-637 of the Nebraska Revised Statutes, the undersigned certifies that it is impractical and not in the public interest to utilize sealed bidding to obtain the parts and services for the Siemens generating units at Cass County Station, Turtle Creek Station and Sarpy County Unit 3.

Pursuant to Section 70-637 of Nebraska Revised Statutes, the Board of Directors is requested to approve this Engineer's Certification and authorize management to negotiate and enter an Operating Plant Service Agreement with Siemens Energy, Inc. for inspection, repair, and procurement of parts for Sarpy County Unit 3 and for the new generation units and modifications to existing units at the Cass County and Turtle Creek Stations.

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

  
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Joseph E Lang, P.E.

3/8/2024  
Date





## FRASER STRYKER

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March 1, 2024

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

RE: Cass County and Turtle Creek Stations, and Sarpy County Unit 3 - Engineer's Certification

Ladies and Gentlemen:

We have reviewed the Engineer's Certification of Joseph Lang, a registered professional engineer in the State of Nebraska employed by the District. Mr. Lang states that, pursuant to authorization by the Board of Directors in Resolutions 6582 and 6351, OPPD has contracted with Siemens Energy, Inc. ("Siemens") to procure new generating units and modifications to existing generating units at the Cass County and Turtle Creek Stations. He states that Siemens holds proprietary technical information on the function, parts, and repair for the six new SGT6-5000F combustion turbines at Cass County and Turtle Creek Stations, and the existing Cass County Station Units 1 and 2. Siemens also is the original equipment manufacturer for Unit No. 3 at the Sarpy County Station. Mr. Lang certifies that the procurement of parts for and the repair of these units is technically complex and that based on the complexity and Siemens' technical knowledge of these units, as well as favorable economics, it is in the best interest of the District to enter into an Operating Plant Service Agreement with Siemens covering all of the units. For these reasons, Mr. Lang certifies that it would be impractical and not in the public interest to use sealed bidding for this procurement.

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 projects for which sealed bidding would be impractical and not in the public interest, and to authorize the District to enter into a contract to complete the project. The District is required to advertise its intention to enter into any such contract in three (3) issues of a newspaper 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 Mr. Lang'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 an Operating Plant Service Agreement with Siemens Energy, Inc., covering the generating units and Cass County and Turtle Creek Stations and Sarpy County Unit 3. We recommend that any such contract be subject to review and approval by the District's general counsel.

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 at the end.

Stephen M. Bruckner  
FOR THE FIRM

SMB/sac  
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