

Moody/Via

**RESOLUTION NO. 6681**

**WHEREAS**, sealed bids were requested and advertised, as required by law, for the following:

**REQUEST FOR PROPOSAL (RFP) NO. 6166  
345KV SHUNT REACTOR**

**WHEREAS**, a bid was received and opened at the time and place mentioned in the published notices and the Director – Supply Chain Management supervised the tabulation, which has been submitted to this Board; and

**WHEREAS**, the Board of Directors has carefully considered the bid submitted, as well as the recommendations of the District’s Management and General Counsel.

**WHEREAS**, Section 70-637 of the Nebraska Revised Statutes authorizes the District’s Board of Directors to reject proposals if they are not responsive to the Request for Proposals, and to authorize Management to pursue a negotiated contract; and

**WHEREAS**, the Board of Directors concurs with management’s recommendation that the proposal for RFP No. 6166 is legally and technically non-responsive for the proposed scope of work.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Omaha Public Power District that the proposal received in response to Request for Proposal No. 6166 is rejected and Management is authorized to negotiate and enter into a contract for this project, subject to review and approval of the final contract by the District’s General Counsel.



Date: December 6, 2024

From: S. J. Hanson

To: T. R. Via

RFP No. 6166  
 “345kV Shunt Reactor”  
Analysis of Proposals

1.00 GENERAL

RFP No. 6166 was advertised for bid on September 19, 2024.

RFP No. 6166 provides the opportunity to purchase 345kV shunt reactors, specifically 345kV, 50MVAR, grounded-wye, oil immersed, three phase shunt reactors, for an initial term of one (1) year with the option to renew up to four (4) additional one (1) year terms pursuant to the escalation/de-escalation provisions. OPPD will initially procure a quantity of one (1) 345kV shunt reactor to support a generation interconnection substation project near Tekamah, Nebraska with a desired delivery date of March 2028.

One (1) Letter of Clarification (LOC) was issued. One (1) addendum was issued.

Proposals were requested and opened at 2:00 p.m., C.S.T., Thursday, November 14, 2024.

Engineer’s Estimate was \$ 3,750,000.00.

One (1) proposal was received. The proposal received is summarized in the table below:

Bidder	Lump Sum Firm Price	Legally Responsive	Technically Responsive
Hitachi Energy USA Inc.	\$2,493,600	No	No

2.00 COMPLIANCE WITH CONTRACT TERMS AND GENERAL REQUIREMENTS

OPPD’s legal counsel noted that the proposal from Hitachi Energy USA Inc. (“Hitachi”) includes its own General Terms and Conditions of Sale which materially modify the commercial risks for OPPD making the proposal legally non-responsive. In addition, Hitachi states that it is, “open to negotiate” such terms in order to reach, “a mutually acceptable set of commercial terms and conditions” which is also not allowed under applicable Nebraska Revised Statutes and; therefore,

T. R. Via  
December 6, 2024  
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also makes Hitachi's proposal legally non-responsive. Lastly, Hitachi declined to quote a Performance and Payment Bond but agreed to provide pricing for same upon request by OPPD which also makes Hitachi's proposal legally non-responsive.

### 3.00 COMPLIANCE WITH TECHNICAL REQUIREMENTS

The proposal received from Hitachi Energy USA Inc. was deemed technically non-responsive largely because a conservator type oil preservation system was proposed instead of proposing one of the following oil preservation systems which were specified: pressurized nitrogen system or sealed tank. Additionally, other technical items were identified which require further clarification from Hitachi Energy USA Inc. including but not limited to the following: shunt reactor impedance, high voltage winding conductor type, high voltage winding Basic Lightning Impulse Level (BIL) design voltage, control cabinet interior insulation, shunt reactor tank lifting lugs and cover plate hangers, and wiring drawings.

### 4.00 RECOMMENDATION

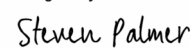
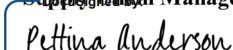
On the basis of compliance with the legal and technical requirements, it is recommended that the single proposal received for RFP No. 6166 "345kV Shunt Reactor" be rejected by the Board of Directors and that District Management be authorized to enter into a negotiated contract.

Signed by:  
  
308F2EC292D0429...  
Shane Hanson, P.E.  
Director Engineering  
Utility Operations

<b>TABULATION OF BIDS</b> Opened at 2:00 p.m., C.S.T., Thursday, November 14, 2024, in Omaha, Nebraska
Anticipated Award Date December 19th, 2024
<b>ENGINEER'S ESTIMATE</b>  \$3,750,000.00

**REQUEST FOR PROPOSAL NO. 6166**  
**345kV Shunt Reactor**

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Signed by:  
  
 Steven Palmer  
C471422F78EE422...  
 Director  
 Supply Chain Management  
  
 Pettina Anderson  
8A15534EAB784C8...  
 Compiled by and Certified Correct

	BIDDER'S NAME & ADDRESS		
	PDS Inc. Hitachi Energy 10730 Pacific Street, Ste. 040 Omaha, NE 68114		
	SUPPLIER'S BID	SUPPLIER'S BID	SUPPLIER'S BID

**1. Proposal Price(s):**  
 Firm base price to furnish and deliver one (1) 345kV Shunt Reactor, and five (5) year warranty, as described in the RFP Documents, Exhibit C, Sections "Technical Specifications I" FOB foundation, to the following OPPD location: Near Herman, Nebraska, 68029.

Provide per unit pricing for each of the identified items:

[A] 345kV Shunt Reactor Only

[B] Shipping Only: FOB Foundation

[C] Assembly Only:

Total Bid Price [A+B+C]:

**2. Desired Delivery Date:**

-	-	-
<u>\$1,730,000.00</u>	\$ _____	\$ _____
<u>\$310,000.00</u>	\$ _____	\$ _____
<u>\$453,600.00</u>	\$ _____	\$ _____
<u>\$2,493,600.00</u>	\$ _____	\$ _____
<u>Guaranteed Completion Date</u>	<u>Guaranteed Completion Date</u>	<u>Guaranteed Completion Date</u>
-	-	-

-	-	-
March 20, 2028	39-40 months DDP Site within a PO during the proposal validity	-
	-	-
	-	-
	-	-
	-	-



Troy F. Meyerson  
ATTORNEY  
402.978.5347  
tmeyerson@fraserstryker.com  
fraserstryker.com

November 27, 2024

Omaha Public Power District  
444 South 16<sup>th</sup> Street  
Omaha, NE 68102

RE: Request for Proposal No. 6166 – 345kV Shunt Reactor

Ladies and Gentlemen:

We have reviewed the one (1) proposal received in response to the District's RFP No. 6166 and provide the following legal opinion.

The proposal of Hitachi Energy USA Inc. ("Hitachi") submits its own General Terms and Conditions of Sale which materially modify the commercial risks for OPPD making the proposal legally non-responsive. In addition, Hitachi states that it is, "open to negotiate" such terms in order to reach, "a mutually acceptable set of commercial terms and conditions" which is also not allowed under applicable Nebraska Revised Statutes and; therefore, also makes Hitachi's proposal legally non-responsive. Lastly, Hitachi declined to quote a Performance and Payment Bond, but agreed to provide pricing for same upon request by OPPD which also makes Hitachi's proposal legally non-responsive. Since Hitachi's proposal was legally non-responsive, the Board of Directors should not consider the proposal for the award of this contract.

Section 70-637(5) of the Nebraska Revised Statutes authorizes the Board of Directors to reject all bids if they are non-responsive to the contract documents or exceed the fair market value of the RFP's subject matter. Accordingly, the Board of Directors may reject the one (1) proposal for RFP No. 6166 and authorize Management to negotiate an acceptable contract. We recommend that the final contract documents be reviewed and approved by the District's General Counsel.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Troy F. Meyerson', with a horizontal line extending to the right.

Troy F. Meyerson  
FOR THE FIRM

3318435

Fraser Stryker PC LLO

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



# Action Item

## BOARD OF DIRECTORS

December 17, 2024

### ITEM

Award RFP No. 6166 “345kV Shunt Reactor”

### PURPOSE

Board of Directors’ authorization to reject the proposal received for RFP No. 6166, and for the District to enter into a negotiated contract for a multi-year 345kV shunt reactor contract to support reliability and transmission system expansion in the OPPD service territory.

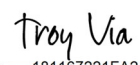
### FACTS

- a. 345kV shunt reactors are required to support transmission expansion projects, spare inventory, and asset management replacements. This contract will initially procure a quantity of one (1) 345kV shunt reactor to support a third-party solar generation interconnection substation project near Tekamah, Nebraska.
- b. Desired contract will be for an initial term of one (1) year with the option to renew up to four (4) additional one (1) year terms with an acceptable escalation/de-escalation formula based on identified indices.
- c. One (1) proposal was received which is legally non-responsive and technically non-responsive.
- d. Desired delivery of the initial 345kV shunt reactor is March 2028.


### ACTION

Authorization by the Board to reject the proposal received for RFP No. 6166, “345kV Shunt Reactor” and allow District Management to enter into a negotiated contract.

#### RECOMMENDED:

Signed by:  
  
 181167221FA24AE...  
 Troy R. Via  
 Chief Operating Officer and  
 Vice President – Utility Operations

#### APPROVED FOR BOARD CONSIDERATION:

Signed by:  
  
 AC309FDGE56247E...  
 L. Javier Fernandez  
 President and Chief Executive Officer

Attachments: Analysis of Proposals  
 Tabulation of Bids  
 Legal Opinion  
 Resolution