



Williams/Via

RESOLUTION NO. 6709

WHEREAS, the District intends to execute a large portfolio of transmission and substation infrastructure projects from 2025 through 2032, including supporting our significant distribution system assets, in order to meet forecasted customer load growth and reliability requirements based upon system studies, new generation interconnections, and Southwest Power Pool ("SPP") requirements; and

WHEREAS, the transmission and substation infrastructure projects include approximately 255 miles of new and rebuilt transmission lines, 14 new substations, and 25 substation expansions, as well as other supporting and significant related distribution facilities; and

WHEREAS, the District's Engineer has certified that it is imperative to use a contractual approach that will present the best opportunity to achieve multiple contemporaneous in-service dates, and a negotiated contract process will enable the District to develop optimal pricing, navigate the uniquely complex purchasing obligations associated with concurrent projects of this magnitude, expedite materials and construction schedules, and obtain necessary contract terms, including risk mitigation provisions; and

WHEREAS, the District's Engineer has further certified that contracting expediency is of utmost importance to obtain long lead time transmission and substation equipment, and explains that equipment purchasing and construction scheduling will be uniquely complex due to the extensive simultaneous outage requirements across the District's service territory, the high volume of contemporaneous construction activities, and the increasing limits on outage availability in SPP; and

WHEREAS, the District's Engineer has further certified it is impractical and not in the public interest to utilize the statutory sealed bid process for these projects; 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 projects without sealed bidding.

WHEREAS, recognizing the importance of transparent communication and oversight, the Board acknowledges that effective monitoring of and regular updates on the Transmission and Substation portfolio of projects is important for customer visibility and awareness.

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 authorize Management to negotiate and enter into one or more contracts to provide all engineering, procurement, and construction of the transmission and substation infrastructure projects, as well as other supporting and significant related distribution facilities, as described therein, without compliance with the sealed bidding provisions of Sections 70-637 to 70-641 of the Nebraska Revised Statutes is hereby approved.

2. Management is hereby authorized and directed to negotiate and enter into a contract or contracts with a qualified contractor or contractors to provide all engineering, procurement, and construction of the transmission and substation infrastructure projects, as well as other supporting and significant related distribution facilities, as described herein and in the Engineer's Certification, 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.

4. Commencing with the Board of Directors' all committee meetings in August of 2025, and continuing thereafter on a quarterly basis (or more frequently as Management reasonably determines), Management and General Counsel shall provide updates, in open or closed session, as appropriate, to inform the Board on the progress of proposal review, Management's evaluation, and contract negotiation status for the transmission and substation infrastructure projects and Management's prosecution of the work associated with such projects.



MEMORANDUM

Date: April 25, 2025

From: S. J. Hanson

To: T. R. Via

Subject: Transmission and Substation Contract Alliance – Engineer's Certification

1.00 GENERAL

OPPD is actively planning and designing 255 miles of new and rebuilt transmission line, 14 new substations, and 25 substation expansions to be constructed in the next 7 years to support load growth, new generation resource connection, and increased reliability and resiliency across the service territory. This currently represents an approximate \$1.5 billion investment in OPPD's grid but will likely continue to increase as new projects are mandated via Southwest Power Pool (SPP).

Projects proposed in OPPD's footprint in the next 10 years represent a 400% increase in design and construction workload compared to the previous 15 years in which OPPD constructed and rebuilt 100 miles of transmission line. This is the most transformative change OPPD's grid will experience second only to the build out of the 345kV system in the 1970s with NC1 and Fort Calhoun Station.

OPPD intends to enter into contracts over the course of these projects for materials, services, and construction labor for the completion of transmission and substation assets including supporting and significant related distribution facilities. A negotiated contract process will allow OPPD to leverage contractor and supplier expertise to optimize the design and construction requirements, while mitigating schedule and outage sequencing risks through detailed communications during the negotiation phase.

With billions of dollars of projects being constructed in the region over the next decade, there is a major risk that contractors won't have resources to participate in a sealed bid RFP that limits their ability to modify start dates or project approach. Negotiated contract processes allow for rapid response to dynamic supply chain risks of material supply and ensure OPPD has the ability to react to a highly competitive labor market in sourcing construction contractors.

Compliance with the sealed bidding requirement of the Nebraska Statutes is impractical and not in public interest based upon the technical complexity and unique nature of this project portfolio. Use of negotiated contract processes will allow OPPD to take advantage of alternative contracting strategies, such as alliance contracts where resourcing is better enabled through forecasting, transparency, and communication with alliance contractors; or EPC approaches where warranted. Use of negotiated contract processes enables OPPD additional contract mechanisms to expedite material and construction schedules to support meeting project in service dates.

Therefore, it is in the District's and public's best interest to forgo the sealed bidding process. Instead, competitive bids will be sought through RFPs and negotiation processes. The contracts will be awarded to the suppliers with the best evaluated bids.

T.R. Via
April 25, 2025
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2.00 RECOMMENDATION

An Engineer's Certification documenting the above points in more succinct detail has been prepared. We recommend and request the Board of Directors approve the Engineer's Certification authorizing Management to negotiate and award competitively bid contracts for substation and transmission projects, including supporting and significant related distribution facilities where contracts will be awarded between 2025 and 2032.

Signed by:



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Shane Hanson, P.E.
Director Engineering
Utility Operations

Engineer's Certification

Omaha Public Power District (OPPD) intends to execute a large portfolio of transmission and substation infrastructure projects from 2025 through 2032. Completion of these projects is necessary to meet forecasted system load and reliability requirements based on system studies, customer agreements, new generation interconnection, and Southwest Power Pool (SPP) requirements.

OPPD will need to enter into contracts to procure material, equipment, and labor for those transmission and substation projects, including any supporting or significant distribution system assets. For the reasons explained further below, these projects are not well-suited for the customary sealed bid approach. OPPD will solicit proposals from qualified contractors and suppliers to enable the on-time delivery, completion, and commissioning of the transmission and substation projects. Some of the projects will require the use of a negotiated Engineer, Procure, and Construct (EPC) contract or similar competitive contracting approaches.

The undersigned Professional Engineer employed by OPPD certifies that compliance with the sealed bidding requirements of the Nebraska statutes, specifically Nebraska Revised Statutes 70-637 to 639, is impractical and not in public interest for the following reasons:

- Given the challenging scope of the transmission and substation projects contemplated for 2025 through 2032, it will be imperative to use a contractual approach that will present the best opportunity to achieve the multiple contemporaneous in-service dates. The use of negotiated contracting processes will enable OPPD to develop optimal pricing, navigate the uniquely complex purchasing obligations associated with concurrent projects of this magnitude, expedite materials and construction schedules, and obtain necessary contract terms, including risk mitigation provisions. Contracting expediency is of utmost importance to obtain long lead time transmission and substation equipment.
- Equipment purchasing and construction scheduling will be uniquely complex due to the extensive simultaneous outage requirements across OPPD's territory, the high volume of contemporaneous construction activities, and the increasing limits on outage availability in SPP. Construction contractors will need to be engaged early in the process to create a strategy for outage management, emergent system restoration, and risk mitigation. The strategy development will need to be part of the engineering process, and such needs are not well-suited for the sealed bid process.

- In the Midwest region, SPP and Mid-Continent Independent System Operator (MISO) have identified approximately \$40 Billion of transmission and substation projects with planned execution through 2032. The high volume of projects is creating a competitive market for qualified electrical contractors, which is further impacted by the shortage of qualified electrical workers in the industry. OPPD desires to limit the risk of construction contractor availability and will be seeking alternative approaches such as the use of contractor alliances, with multiple contractors, to help optimize design and construction efficiencies, mitigate construction risk, and maintain schedule.
- Governmental actions such as tariffs and 'Build America, Buy America' requirements are expected to increase pressure on already constrained supply chains for material and equipment. These actions have the potential to increase costs, lead times, and volatility due to the number of planned projects that will be competing for similar resources in the coming years. OPPD desires to limit the risk of material supply volatility and will be seeking to competitively bid equipment and material using alternative approaches.

Pursuant to section 70-637 of the Nebraska Revised Statutes, as amended, Omaha Public Power District's 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 and suppliers between 2025 and 2032, without utilizing the sealed bidding requirements of sections 70-637 to 70-639 of the Nebraska Revised Statutes, for transmission and substation projects (including supporting and significant related distribution facilities), with such projects to be budgeted within OPPD's Corporate Operating Plans for those years.

I, Shane J Hanson, 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.

Signed by:

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Shane J Hanson, P.E.

4/25/2025 | 10:09 AM CDT

Date

April 3, 2025

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

RE: Engineer's Certification-Transmission and Substation infrastructure Projects,
2026-2032

Ladies and Gentlemen:

We have reviewed the Engineer's Certification of Shane Hanson, an engineer employed by the District. Mr. Hanson explains that the District must execute a large portfolio of transmission and substation infrastructure projects from 2026 through 2032. These projects are necessary to meet forecasted system load and reliability requirements, customer agreements, new generation interconnection, and Southwest Power Pool (SPP) requirements. Mr. Hanson certifies it is imperative to use a contractual approach that will present the best opportunity to achieve multiple contemporaneous in-service dates, and a negotiated contract processes will enable the District to develop optimal pricing, expedite materials and construction schedules, and obtain necessary contract terms, including risk mitigation provisions. He states that contracting expediency is of utmost importance to obtain long lead time transmission and substation equipment, and explains that construction scheduling will be uniquely complex due to the high volume of construction activities, extensive simultaneous outage requirements across the District's service territory, and increasing limits on outage availability in SPP. For these and other reasons stated in the Certification, Mr. Hanson certifies that it is impractical and not in the public interest to utilize the statutory sealed bid process for these projects.

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 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 or projects. This authority is not limited to individual projects but may be applied to a group of projects such as those described in Mr. Hanson's Certification. 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 or contracts cannot be entered into sooner than twenty (20) days after the last advertisement.

It is our opinion that Mr. Hanson'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

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April 3, 2025

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Board of Directors. Therefore, the Board of Directors may approve the Engineer's Certification and authorize Management to negotiate and enter into the necessary contracts for equipment, material, and services to execute the portfolio of transmission and substation projects (including related distribution infrastructure) described in the Engineer's Certification. without utilizing the sealed bid process.

Very truly yours,



Stephen M. Bruckner
FOR THE FIRM

SMB:sac
3382489



Action Item

May 13, 2025

ITEM

Transmission and Substation Contract Alliance – Engineer's Certification

PURPOSE

Board of Directors authorization to negotiate and enter into contracts for the material supply and construction of substation and transmission assets for projects awarded from 2025 through 2032.

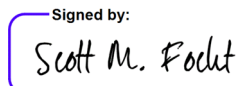
FACTS

- a. OPPD intends to execute a large portfolio of transmission and substation infrastructure projects from 2026 through 2032. Completion of these projects is necessary to meet forecasted system load and reliability requirements based on system studies, customer agreements, new generation interconnections, and Southwest Power Pool (SPP) requirements.
- b. Due to the scale and complexity of the portfolio of work, early engagement of, and negotiations with a contractor are needed for successful outage coordination and constructability optimization of engineering designs.
- c. Due to the complex and expansive nature of the transmission and substation infrastructure portfolio from 2026 through 2032, the District's engineer has certified that compliance with the sealed bidding provisions of the Nebraska Revised Statutes Sections 70-637 through 70-639, as amended, would be impractical and not in the public interest for these projects.

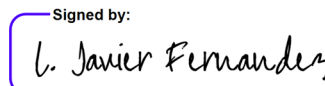
ACTION

Approval of the Engineer's Certification and authorization for Management to negotiate and enter into contracts for materials, services and construction labor for substation and transmission assets, including supporting and significant related distribution facilities where contracts will be awarded from 2025 through 2032.

RECOMMENDED:

Signed by:

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Scott M. Focht
Vice President – Corporate Strategy
And Governance

APPROVED FOR BOARD CONSIDERATION:

Signed by:

AC309FDCE68247E...
L. Javier Fernandez
President and Chief Executive Officer

TRV:sjh

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