



Energize Eastside Transmission Line Contract Award Recommendation Memorandum

August 2, 2021

To: Tony Pagano
Roque Bamba, and
Dan Koch, Vice President Operations

From: Brad Strauch, Infrastructure Program Manager

Project Description: As part of the Energize Eastside project, PSE proposes to construct approximately 16 miles of new 230 kV transmission lines to provide increased capacity and reliability to a growing customer base on the east side of King County. Specifically, the project replaces the two existing 115 kV transmission lines between Talbot Hill (TAL) substation in Renton and Sammamish (SAM) substation in Redmond.

The Project consists of constructing PSE infrastructure in accordance with current PSE standards from TAL to the new Richards Creek (RIC) substation in Bellevue, to SAM. The Work includes mobilization, demobilization, hauling, staging and storage of materials, installing caissons (steel casings), drilled pier foundations, installing poles, guying and anchoring of poles, transferring conductors, reframing poles, attaching insulators, constructing new access roads, modifying existing access roads, removing existing structures, installing PSE's new communication fiber (Optical Ground Wire [OPGW]), vegetation clearing and restoration, and all other miscellaneous activities associated with the installation and removal of communication and transmission line facilities.

Although the existing project corridor was established in the 1920s and 1930s, the area has developed around it with numerous residential areas and gated communities. Throughout project permitting and development, extensive public outreach has been necessary. Many of the permit conditions are based on information gathered during those public outreach efforts. The continued communication with the property owners whose properties have corridor easements is critical to the success of the project and PSE's core values, as the property owners are our customers. It is imperative for PSE and the selected contractor to minimize construction impacts to the property owners. Due to these complexities the project team has worked closely with municipalities, community groups and homeowners to justify and gain approval for the project. It is imperative that the general contractor for this project have a strong background, dedicated staff, and a work plan that supports the specific project objectives and risks.

Project Team: Brad Strauch (Program Manager), Dave Jenness (Project Manager), Ryan Weider (Project Manager), Dennis Griffith, (Construction Manager), Vu Luu (Project Engineer), Stan Haralson (Arborist) and Jennifer Broadbent (Contract Services).

Bid Process: On May 21, 2021, PSE issued a Request for Proposal (RFP) to Barnard Construction, Michels, Potelco, Sturgeon Construction, and Wilson Construction. The project was bid with emphasis placed on best value, based on the total project plan including public/community interaction. The bids were \$49.8MM for Wilson; \$44.0MM for Potelco and \$42.0MM for Michels. Contract Services confirmed that Barnard Construction and Sturgeon Construction did not submit bids. To fully understand the proposals, three rounds of questions were asked of each bidder.

Transmission Line Contract Award Recommendation

Evaluation Process: The Project Team independently reviewed and evaluated the three bids and submitted clarification questions to each bidder. After the clarification responses were reviewed, the team used the Best Value Spreadsheet to analyze the bids and ranked the bids as follows: 1. Wilson; 2. Potelco; and 3. Michels. It was determined that the bid provided by Michels did not meet the minimum requirements set forth in the RFP as it was the same proposal used during the initial 2018 bid process. It therefore, did not meet the scope and schedule of the current RFP.

Taking all the factors into account, the team selected Wilson Construction as they offered the best value to PSE and their proposal demonstrated a comprehensive understanding of the scope and unique challenges of the project. Specifically, Wilson's proposal included a comprehensive work plan, wire pull plan, identification of Areas of Concern, innovative solutions and schedule certainty. They also provided the most comprehensive approach to community outreach and a specific construction approach designed to minimize construction impacts to property owners. These are both critical components to the success of the project (including permitting of the north half).

Wilson selection highlights include:

- Only bidder to offer complete pricing, including contingencies for construction specific project risks
- Highly qualified project team with significant past performance with PSE on similar projects
- Dedicated and qualified community outreach/coordination staff
- Wilson's plan to staff with resources currently outside Western Washington, which means there will be no resource issues for our other PSE projects
- Plan includes use of timber mats for access to minimize property owner impacts
- Proposed construction sequencing intended to minimize damage and restoration needs
- Only bidder whose Project Plan includes multiple wire stringing options providing construction and system outage flexibility
- Plan includes a risk matrix detailing identified risks with solutions, including concurrent transmission line outages, material availability and the I-90 crossing
- Their foundation subcontractor CJ's Drilling has recent relevant experience with vibratory caissons and wetland work
- Only bidder who proposed a work schedule that meets PSE's timeline

For more details on the bid review and comparisons, see the Potelco-Wilson Comparison document.

Recommendation: On behalf of the Project Team, based upon the foregoing, the Project Team recommends a general construction contract be awarded to Wilson Construction Inc. with the intention to issue a construction contract in the amount of \$49,791,000. The work will be performed under PSE's standard Contract for Construction with Wilson taking no exceptions to the Contract or any of the Contract Documents.

Approvals:

Tony Pagano Manager Project Management	DocuSigned by: <i>Tony Pagano</i> C7D38C09413B4AC...	Date August 2, 2021
Roque Bamba Director Product Delivery	DocuSigned by: <i>Roque Bamba</i> BC203E4E58BD426...	Date August 3, 2021
Dan Koch Vice President Operations	DocuSigned by: <i>Dan Koch</i> 7E7434ECBF5B4C0...	Date August 3, 2021