



Mollhoff/Fisher

**RESOLUTION NO. 6419**

**WHEREAS**, pursuant to Resolution No. 6336, the District has purchased replacement low pressure rotors from Siemens Energy, Inc., the original equipment manufacturer for Nebraska City Station Unit 1 (NC1); and

**WHEREAS**, the District's Engineer has certified that the installation work for the turbine rotors and related generator equipment is technically complex, that the use of sealed bidding would be impractical and not in the public interest, and that Siemens Energy, Inc., as the supplier of the turbine rotors, has the capability to conduct the installation work; 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 it is impractical and not in the public interest to use sealed bidding for the labor and services needed to install the low pressure rotors and repair the power turbine and generator at Nebraska City Station Unit 1 is hereby approved.
2. Management is hereby authorized and directed to negotiate and enter into the necessary contract or contracts with Siemens Energy, Inc. to supply labor and specialized services for the repair of the Nebraska City Station Unit 1 turbine and generator, 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.



# Board Action

## BOARD OF DIRECTORS

January 19, 2021

### ITEM

Nebraska City Station Unit 1 Turbine and Generator Labor and Services

### PURPOSE

Provide labor and services required to execute the 2021 outage work scope for the Nebraska City Station Unit 1 (NC1) turbine and generator.

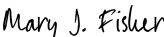
### FACTS

- a. The NC1 turbine and generator require maintenance and repairs including replacement of the low pressure rotors purchased following the spring 2019 outage turbine rotor inspection results. Siemens Energy, the original equipment manufacturer for the NC1 turbine and generator, has been contracted to supply the replacement turbine rotors.
- b. NC1 is required to meet both the energy demands and capacity requirements of the District.
- c. The needed work is complex and requires specialized information uniquely available from the original equipment manufacturer. Additionally, there are performance guarantees applicable to the purchase of the low pressure turbine rotors that could be adversely impacted if not performed by the supplier, Siemens Energy.
- d. The District's engineer has certified that it is impractical and not in the public interest to utilize the statutory sealed bid process for this project.


### ACTION

Approval of the Engineer's Certificate and authorization for Management to negotiate and enter into a contract with Siemens Energy for specialized labor and services for the Nebraska City Station Unit 1 turbine and generator work scope during the spring 2021 outage.

#### RECOMMENDED:

DocuSigned by:  
  
 \_\_\_\_\_  
 Mary J. Fisher  
 Vice President – Energy Production and  
 Nuclear Decommissioning

#### APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:  
  
 \_\_\_\_\_  
 Timothy J. Burke  
 President and Chief Executive Officer

### SAE

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

**DATE:** January 11, 2021  
**FROM:** S.A. Eidem  
**TO:** M.J. Fisher  
**SUBJECT:** Nebraska City Unit 1 Turbine and Generator Services and Labor

1.0 GENERAL

Stress corrosion cracking identified on the Nebraska City Station Unit 1 (NC1) low pressure turbine rotors during the spring 2019 outage prompted the purchase of replacement rotors for installation during the upcoming spring 2021 NC1 outage. Siemens Energy, the original equipment manufacturer (OEM) for the NC1 turbine and generator, has been contracted to supply the replacement low pressure turbine rotors.

The turbine and generator maintenance and rotor replacement work planned for the spring NC1 2021 outage includes several tasks closely adjacent to each other but is in an area of the station that can be reasonably well isolated from the rest of the station work, thus reducing the risk of exposure of OPPD personnel to COVID-19.

Nearly all of the work to be completed in the area requires specialized training, tools, knowledge and information only directly available to Siemens Energy as the supplier of the replacement turbine rotors and the OEM for the NC1 turbine and generator. This information is not shared readily between the OEM and competitors.

In addition, the risks to the District's interests as a result of installation errors are significant and could include damage to critical components resulting in improper operation or lost generation unit availability. Further, the material warranties associated with the newly supplied rotors could be jeopardized by installation errors by a non-OEM contractor.

For the foregoing reasons, OPPD management believes the best course of action to protect the safety of personnel, the critical station equipment, and the business interests of the District is to negotiate and award a contract for management, labor, and services for the installation of the turbine rotors, as well as the turbine and generator maintenance scope of the planned spring 2021 outage, to the OEM, Siemens Energy.

2.0 RECOMMENDATION

An Engineer's Certificate of the above has been prepared. Approval of the Certification is recommended. We request the Board of Directors to approve the Engineer's Certification and authorize management to negotiate and enter into contract with Siemens Energy for

M. J. Fisher  
January 11, 2021  
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the labor and services required for installation of turbine rotors and the balance of required turbine and generator repairs during the upcoming NC1 spring 2021 outage.

*Scott A. Eidem*

S.A. Eidem, P.E.  
Director, Engineering Services  
Energy Production and Nuclear Decommissioning



## ENGINEER'S CERTIFICATION

Pursuant to the Board of Director's Resolution No. 6336, Omaha Public Power District (OPPD) has purchased replacement low pressure rotors from Siemens Energy for the Nebraska City Station Unit 1 (NC1) turbine which must be installed during the upcoming April 2021 outage.

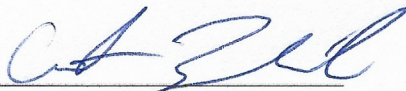
The undersigned certifies that this work is technologically complex and there are limited potential bidders for this work. Siemens Energy is the original equipment manufacturer for NC1 and supplier of the replacement low pressure turbine rotors and has the tooling and detailed engineering knowledge to conduct required repairs to the generator and turbine components.

Furthermore, the low pressure rotors to be installed have been purchased from Siemens Energy with strict performance guarantees. Installation of these rotors requires detailed design information and knowledge held only by Siemens. Any errors in the installation of the rotors are likely to cause combinations of decreased unit efficiency, component damage, loss of station operability, or future outages for repair. Any of these effects would result in significant financial impact to OPPD.

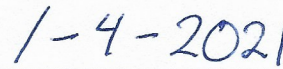
For the reasons set forth above, the undersigned, a Nebraska professional engineer employed by OPPD, certifies that compliance with the sealed bidding requirements of Nebraska Revised Statutes Sections 70-637-70-641, is impractical and not in the public interest.

Pursuant to Section 70-637 of the Nebraska Revised Statutes, the Board of Directors is requested to approve this Engineer's Certification and authorize management to negotiate and enter into a contract with Siemens Energy for the installation of turbine rotors and the balance of required turbine and generator repairs during the Spring 2021 outage at NC1.

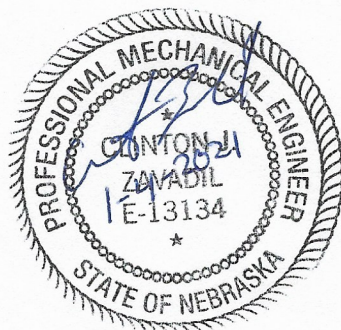
I, Clinton J. Zavadil (registered Professional Engineer in the State of Nebraska), certify the above to be true and correct to the best of my knowledge and belief.



Clinton J. Zavadil, P.E.



Date





## FRASER STRYKER

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December 29, 2020

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

RE: Nebraska City Station Unit 1 - Engineer's Certification for Spring 2021 turbine and generator work

Ladies and Gentlemen:

We have reviewed the Engineer's Certification of Clinton J. Zavadil, a registered professional engineer in the State of Nebraska employed by the District. Mr. Zavadil's Engineer's Certification states that the District plans to replace turbine rotors and generator components at Nebraska City Station Unit 1 during the Spring 2021 outage. The Certification states that there are limited potential bidders capable of supplying the specialized services for this work, and that the supplier of the turbine rotors and original NC1 equipment manufacturer, Siemens Energy, has the necessary expertise and specialized knowledge to complete the work. Mr. Zavadil further certifies that the low pressure rotors to be installed have been purchased from Siemens Energy with strict performance guarantees, and that installation of these rotors requires detailed design information and knowledge held only by Siemens. For these and other reasons set forth in the Certification, Mr. Zavadil certifies that the use of sealed bidding for this scope of work would be impractical and not in the public interest.

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 or unique projects, 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) newspapers 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. Zavadil's Engineer's Certification complies with § 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 the necessary contract(s) for the installation of the NC1 turbine rotors and the balance of required turbine and generator repairs during the Spring 2021 outage.. 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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