Hydropower Execution Process

Southeastern Federal Power Alliance
April 2, 2015

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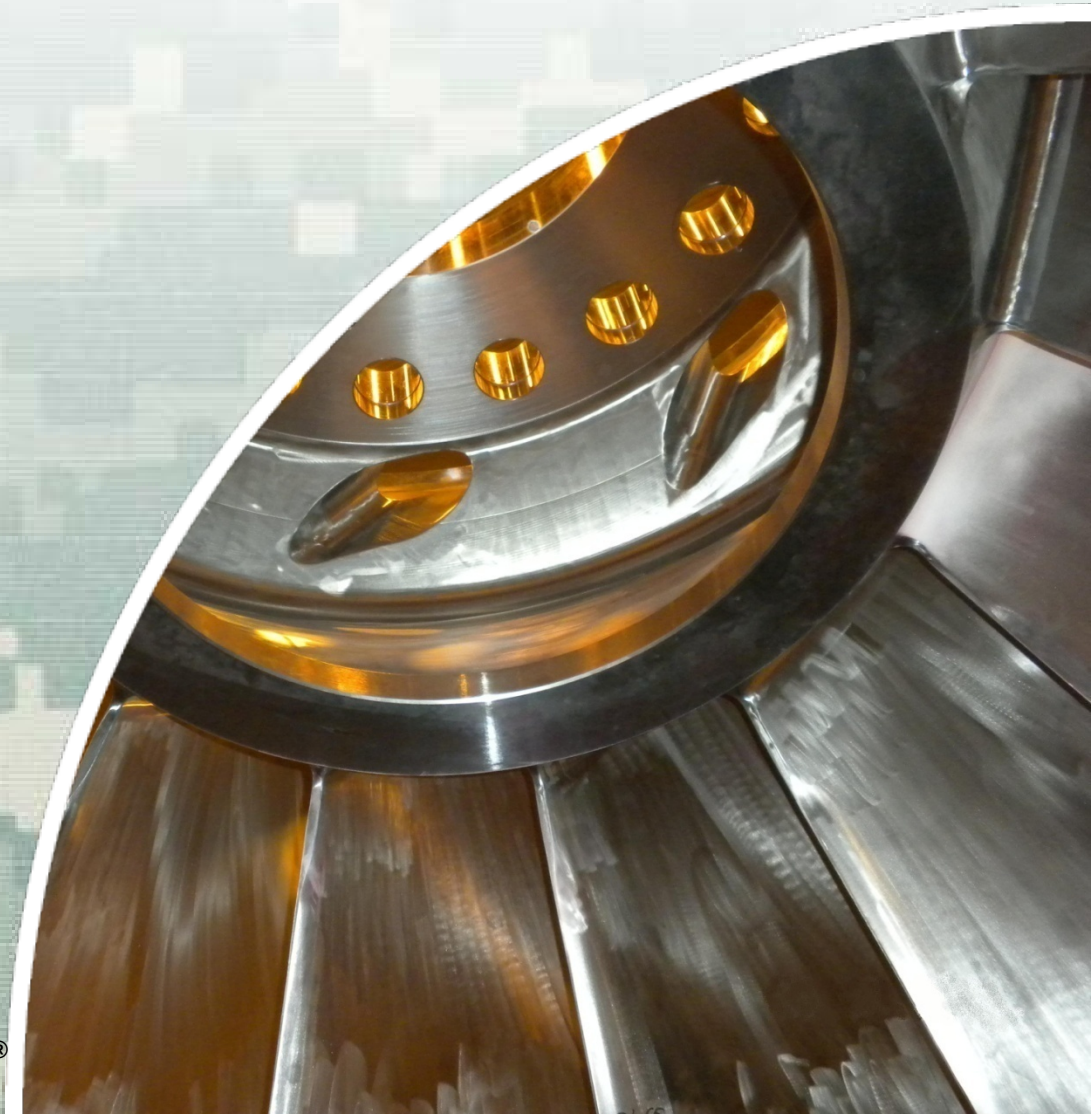
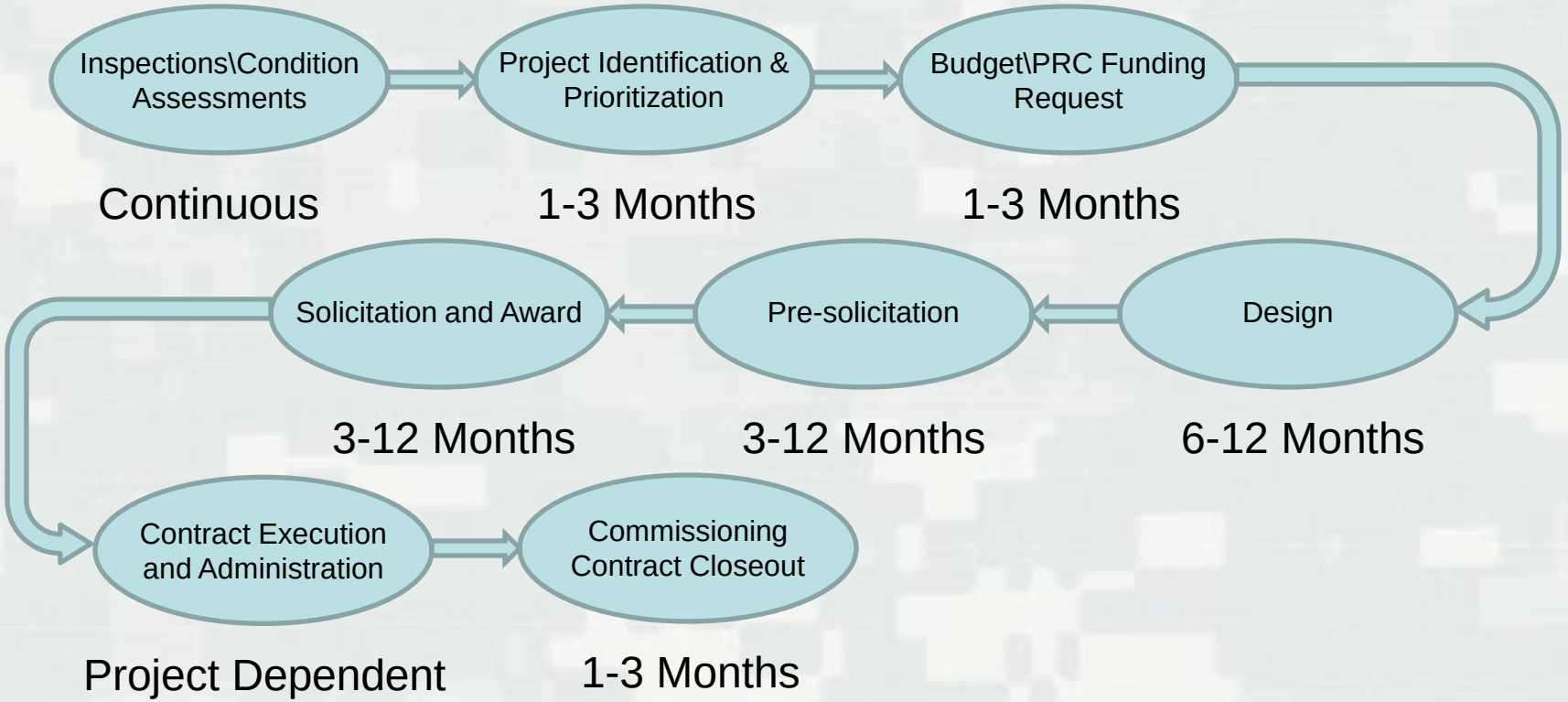


Life Cycle Overview



Inspections & Condition Assessments

- Description:
  - Routine maintenance function performed by maintenance staff and HTC engineers.
  - Common set of equipment specific criteria used to assess equipment condition.
  - Compiled and reviewed annually and coordinated by HTC engineers.
  - Combined with consequence of failure criteria to determine relative risk.

- Challenges:
  - Historically a lack of common, pertinent, and specific criteria for assessments hindered the Division's ability to accurately prioritize equipment replacement.
  - Issues have been resolved in recent years through development of necessary criteria and inspection procedures as well as a regional process for evolution and review.

Project Identification and Prioritization

- Description:
  - Condition assessment data is combined with consequence of failure to develop a relative risk rating.
  - Assets are ranked across the Division based on relative risk and reviewed Hydropower Program leadership.
  - Rankings are used to identify highest priority work.

- Challenges:
  - Much of the Division's hydropower infrastructure went into service in the same period resulting in a higher likelihood of simultaneous failure.
  - Historically funding for capital improvements has been limited.
  - Consequently prioritizing becomes difficult – there is no perfect decision

Budget\PRC Funding Request

- Description:
  - Highest priority projects selected for funding.
  - Requests are made through O&M appropriation packages or the Section 212 PRC.
  - Approved requests move into the Design phase once funding is received.

- Challenges:
  - Appropriations process takes two years to complete. Continuing resolutions make it difficult to execute large major maintenance projects.
  - Customer funding is extremely fast but still maintains a level of uncertainty until a sub-agreement is executed which limits planning ability.

Design

- Description:
  - Technical development of plans and specifications for procurement and installation.
  - Function performed by the Hydroelectric Design Center (HDC) in Portland, OR.
  - Reviews conducted by HTC at predetermined stages of the process

- Challenges:
  - Development time varies heavily on HDC work load.
  - Uncertainty in District\Division planning limits HDC's ability to staff appropriately.

Pre-solicitation

- Description:
  - Development of contracting package used to solicit proposals from potential vendors\contractors.
  - Requirements vary based on type of contract and dollar amount; dictated by FAR.
  - At a minimum requires acquisition strategy, detail cost estimate, evaluation criteria, and selection of appropriate contract clauses.
  - Multiple stages of coordination and reviews among USACE organizations (Contracting, Office of Counsel, Small Business), as well as postings to the federal register

- Challenges
  - Increasing requirements placed on both contracting and operations in the past two years.
  - Number and level of reviews have increased, local authorities have been restricted.
  - Insufficient personnel with the necessary skills and experience to absorb the additional requirements.

Solicitation and Award

- Description:
  - Advertisement of solicitation package composed of technical design and pre-solicitation documentation.
  - Posted for a minimum of 30 days.
  - Proposals received from bidders and evaluated by source selection panel
  - May require multiple rounds of evaluation.
  - Results in selection of best value proposal; selection and justification are thoroughly documented and award is announced.
  - Thirty day window post award for protest.
  - If no protests are made work can normally be expected to proceed within thirty days.

- Challenges:
  - Similar to pre-solicitation.

Contract Execution and Administration

- Description:
  - Contractor on site performing work defined on contract scope
  - HTC engineers provide oversight of the contractor ensuring compliance with the specification, coordination of submittal review and approval, and fiscal administration.
  - HTC coordinates actions with contracting division and HDC as appropriate.

- Challenges:
  - None with respect to delays in execution.

Commissioning and Contract Closeout

- Description:
  - Equipment is tested and accepted then placed in service.
  - Final invoices are processed
  - Contracting actions performed to close the contract.

- Challenges:
  - None with respect to delays in execution.