



Board Agenda

Wednesday, Feb. 14, 2018
LCRA Board Room
Austin

Consent Items

1. Remove Director from GenTex Power Corporation 3

Action / Discussion Items

2. Contracts and Contract Changes 4

Legal Notice

Although this is the expected agenda, the Board may discuss or take action on any item listed in the legal notice, which may include some items not currently on the Board agenda. Legal notices are available on the Texas Secretary of State website 72 hours prior to the meeting at www.sos.state.tx.us/open.

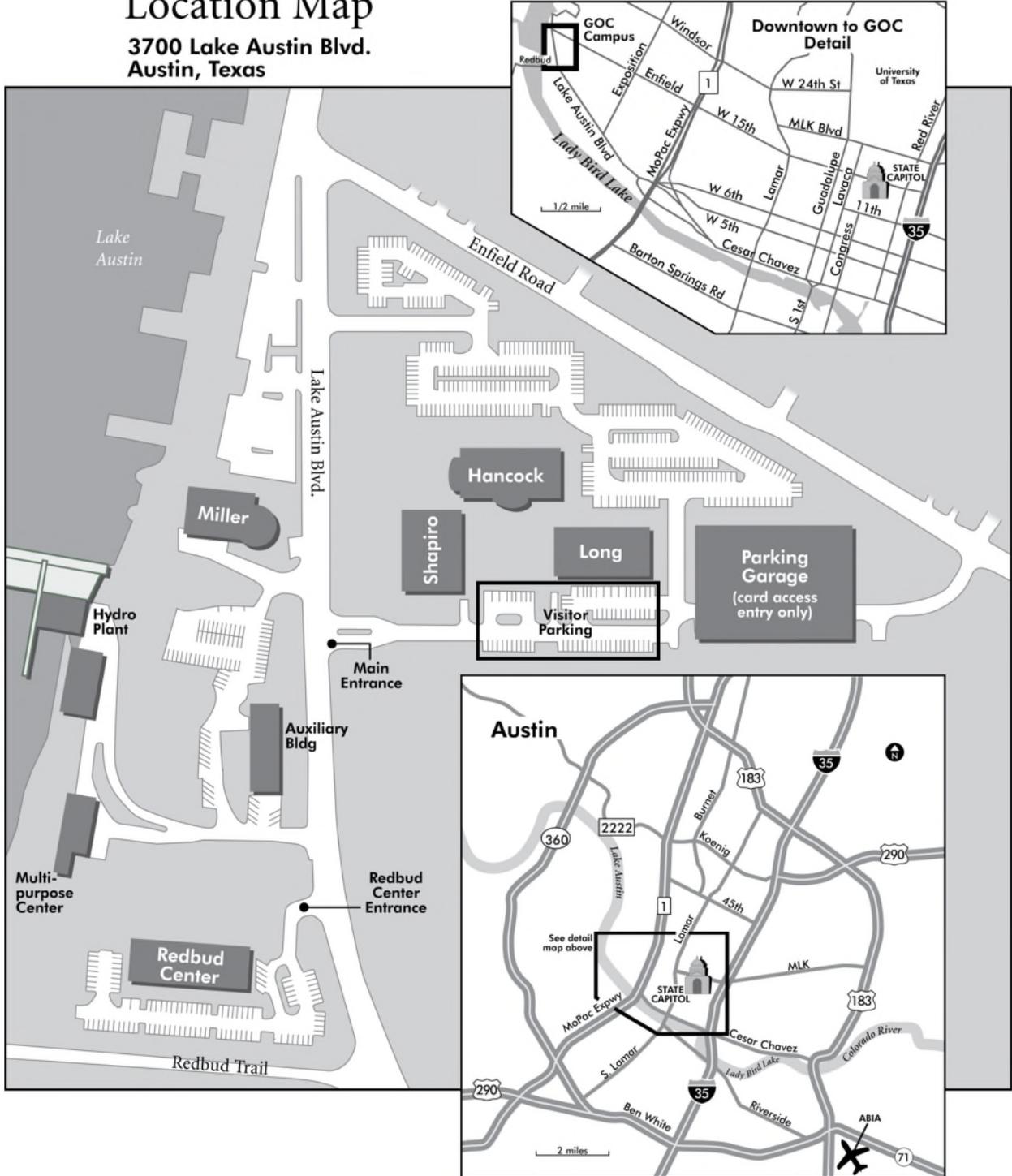
Executive Session

The Board may go into executive session for deliberation on the matters listed in the legal notice posted pursuant to Chapter 551 of the Texas Government Code.

The Board may take final action on any of the executive session matters upon reconvening in open session pursuant to Chapter 551 of the Texas Government Code. The Board may act in executive session on competitive electric matters pursuant to Section 551.086 of the Texas Government Code.

LCRA General Office Complex Location Map

3700 Lake Austin Blvd.
Austin, Texas



FOR ACTION (CONSENT)

1. Remove Director from GenTex Power Corporation

Proposed Motion

Remove Ingmar Sterzing from the GenTex Power Corporation Board of Directors, effectively immediately, which will result in a vacancy on the GenTex Board.

Board Consideration

Section 2.01 of the GenTex bylaws requires that the LCRA Board of Directors appoint two directors representing LCRA's electric cooperative customers to serve two-year terms on the GenTex Board. GenTex directors serve at the will of the LCRA Board, and the LCRA Board may remove a director from the GenTex Board at any time without cause. Section 2.03 of the GenTex bylaws requires that the LCRA Board appoint successor directors to the GenTex Board to fill vacancies for unexpired terms on the GenTex Board.

Budget Status and Fiscal Impact

Approval of this item will have no budgetary or fiscal impact.

Summary

In February 2017, the LCRA Board appointed Ingmar Sterzing, then an employee of Pedernales Electric Cooperative, to serve on the GenTex Board. He has since resigned his position at PEC and is no longer eligible to serve on the GenTex Board as a representative of LCRA's electric cooperative customers. The LCRA Board will appoint a director to fill the vacancy on the GenTex Board at a later time.

FOR ACTION

2. Contracts and Contract Changes

Proposed Motion

Authorize the general manager or his designee to negotiate and execute the following contract as shown in the attached exhibit.

Board Consideration

LCRA Board Policy 308 – Purchasing Contracts establishes requirements for contracts for the purchase of goods, services, construction and software. LCRA has two types of contracts, master and one-time.

- **Master contract:** Establishes the terms and conditions under which LCRA may purchase goods and/or services during a fixed period of time to fulfill its business plan. These purchases are budgeted in the capital and operations and maintenance budgets. Master contracts are not commitments to expend funds. Rather, purchase orders placed against these master contracts are commitments to spend.
- **One-time contract:** A contract for the purchase of a definite quantity of goods or services during a fixed period of time. These contracts normally include commitments to expend funds.

Budget Status and Fiscal Impact

All contracts and contract changes recommended for Board approval are for budgeted items contained in the operations and capital budgets.

Summary (dollars in thousands)

Supplier (Contract No.)	Spending (not to exceed)	Savings	Supplying
Gerace Construction Company, Inc. (4790)	\$6,413	\$5,206	Engineer-Procure-Construct services for removal and replacement of each of the nine floodgates at Tom Miller Dam
TOTAL	\$6,413	\$5,206	

Presenter(s)

Michael McGann
Vice President, Supply Chain

Exhibit(s)

A – New Contracts

EXHIBIT A

New Contracts

New contracts that require Board approval under Board Policy 308 are noted in Exhibit A.

Contract No. 4790
Supplier: Gerace Construction Company, Inc.
Contract Amount: Not to exceed \$6.413 million
Contract Length: Expected duration not longer than eighteen months, or until complete
Description: This is a one-time Engineer-Procure-Construct contract (also known as “turn-key”) for the removal and replacement of each of the nine floodgate structures at Tom Miller Dam.

Background

- LCRA is beginning a project to remove and replace each of the nine floodgates at Tom Miller Dam. The dam is owned by the City of Austin and operated by LCRA through a long-term lease.
- Tom Miller Dam, while in excellent condition, is nearly 80 years old. LCRA will be replacing these original floodgates with nine new, custom-built floodgates.
- The floodgates in place are from the dam’s original construction, which started in 1938 and was completed in 1940.
- The project will help ensure the dam continues to perform reliably and safely for generations to come.
- The Board previously approved a total lifetime budget of \$9.9 million for this project as part of the fiscal year 2018 capital plan.
- Preliminary project plan:
 - LCRA intends to begin the project as soon as possible. Our original estimate suggested the project could be completed within two years.
 - During the project, LCRA will replace one floodgate one at a time. This allows the dam to remain operational throughout the project.



Actions:

- The EPC project is conducted in two phases: qualification phase, then proposal phase.
- LCRA invited 14 suppliers to participate in the qualification phase. LCRA received and evaluated eight responses.
 - The ability to perform criterion was the highest-weighted category for the qualification phase.
 - The suppliers' firm history on similar projects, technical capabilities, and qualifications and ability to perform the work within LCRA's schedule were the basis of the ability criterion.
- LCRA invited four suppliers to participate in the proposal phase. LCRA received and evaluated four responses.
 - The cost criterion was the highest-weighted category for the proposal evaluation.
 - The suppliers' proposed total cost (engineering, procurement, fabrication, deinstallation, installation and removal of the old gates) was the basis of the cost criterion for the evaluation.
- Based on the median of proposal amounts, LCRA expects to save \$5.2 million in this contract.
- The contract award amount is not to exceed \$6.413 million.
- Based on the evaluation and negotiation, LCRA recommends Gerace Construction Company, Inc. as the supplier for this category.