

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

FINANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

October 14, 2009

ACTION REQUIRED

AGENDA ITEM NO. IX.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Southcentral Power Plant (SPP) combustion turbine/generator (CTG) transportation

DISCUSSION

The purchase commitment of three (3) General Electric LM6000 combustion turbine/generators for the SPP was completed in 2008. Transportation from the manufacturer's facility to the job site is required. Estimated cost from the OEM for the CTGs transportation from the manufacturers' facility in Houston, Texas to the SPP site is \$2.8M, plus 10% handling fee. Chugach issued a Request for Proposal (RFP) for the transportation and received a qualified, responsive proposal in the amount of \$1,115,895.00 from Panalpina, Inc. This represents a savings of \$1.9M from the estimated cost from the OEM, and \$400K less than the second place qualified proposer.

We recommend award of contract to Panalpina, Inc. in the amount of \$1,115,895.00 for the transportation of the three CTGs from Houston, Texas to the SPP site in Anchorage, Alaska.

BUDGETARY IMPACTS:

Amount: \$1,115,895

Expense:

Capital: \$1,115,895

Discussion: No budget impact, transportation is included in the plant construction budget.

MOTION

Move that the Finance Committee recommend the Board of Directors authorize the purchase of transportation services for the SPP CTGs with Panalpina, Inc. in the amount of \$1,115,895.



RESOLUTION

WHEREAS, Chugach has procured the combustion turbine/generators for the Southcentral Power Plant and

WHEREAS, transportation from the Original Equipment Manufacturer's facility to the Southcentral Power Plant site required and

WHEREAS, transportation is included in the plant construction budget and

WHEREAS, Chugach has secured the lowest qualified, responsive proposal from Panalpina, Inc. and

NOW THEREFORE, BE IT RESOLVED, the Board of Directors hereby approves the purchase of transportation services for three (3) G.E. LM6000 combustion turbine/generators in the amount of \$1,115,895 from Panalpina, Inc.

BE IT FURTHER RESOLVED, that the Chief Executive Officer is authorized to purchase the transportation services from Panalpina, Inc. in the amount of \$1,115,895.

I, Alex Gimarc, do hereby certify that I am the Secretary of Chugach Electric Association, Inc. an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 28th day of October, 2009; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 28th day of October, 2009.

Secretary