

Informal Request for Proposals
24125-Bradley Lake
Hydroelectric Appraisal

April 3, 2024

Introduction

The Alaska Energy Authority (AEA) is soliciting proposals for a qualified and accredited Contractor to complete the following scope of work

- Review and appraise the current values for Bradley Lake Hydro facilities and equipment and revise values as needed to current.

Proposal must be received on or before **2:00p.m. local time, April 17, 2024**. AEA is estimating a contract amount of approximately \$50,000-\$100,000.

Background Information:

The Bradley Lake Hydro Project

The project is a 120 Megawatt capacity hydroelectric project located 27 air miles southeast of Homer on the Kenai Peninsula. It provides approximately 10 percent of the Railbelt area electrical energy. The project consists of Bradley Lake, a 125 foot high concrete faced, rock filled dam structure, four diversion structures, a 19,152 ft. long power tunnel, generating plant, interior substation, 20 miles of transmission line, and substation. In 2020, the Bradley Lake Hydroelectric Project was expanded to include the Battle Creek Diversion Project. The infrastructure associated with this expansion includes a diversion structure, 9100' of 5' diameter HDPE to convey diverted water into Bradley Lake, and 2.9 miles of new gravel road. Due to its remote location, the Bradley Lake project has its own airstrip, boat dock, residential quarters, and utility system.

The power generation potential of Bradley Lake was first studied by the U.S. Corps of Engineers and presented in a report dated March 1955. Congress authorized the project in 1962. Federal funds were not available for its construction until 1982. The Alaska Energy Authority (then Alaska Power Authority) assumed responsibility for the project in 1982. Preliminary plans and field investigations started in 1982. In April 1984, the Authority submitted an application for license to the Federal Energy Regulatory Commission (FERC). The license to construct the project was issued on December 31, 1985. Project was declared in commercial operation September 1, 1991.

In December 1987 the Authority and the Railbelt utilities entered into a Power Sales Agreement (PSA) that established the Bradley Lake Project Management Committee (BPMC). The purpose of the BPMC is to arrange for the operation and maintenance of the Bradley Lake Hydroelectric Project; and the scheduling, production and dispatch of power. The members of the BPMC are AEA and the five utilities that purchase power under the Agreement;

- Chugach Electric Association, Inc.,
- Golden Valley Electric Association
- Homer Electric Association
- Matanuska Electric Association
- Seward Electric Association

The last appraisal of the Project was in 2009. An estimate was made in 2005. Since then values have been annually escalated. The current estimated Project value is estimated at \$536M.

Scope of Work, Schedule, and Deliverables

A. Scope of Work:

Appraisal

1. Proposers shall prepare their Proposals to demonstrate a thorough and complete valuation methodology and associated qualifications.
2. The scope of the appraisal work shall include the assessment and financial valuation of all project infrastructure including a review of type of construction, age, and condition of all project assets.
3. Appraiser shall visit site. Transportation by small aircraft provided by Operator between Homer, Alaska and Project at no cost to contractor.
4. Real estate is included in the transaction and must be accounted for in the valuation methodologies, including the underlying land, buildings, and easements
5. Bradley Lake facilities include: 125 foot high concrete faced rock filled dam structure, four diversion structures, 3.5 mile long power tunnel, generating plant, interior substation, 20 miles of transmission line, substation, and 9100' of HDPE pipeline.
6. The selected consultant shall produce a final appraisal report documenting a basis of opinion for the fair market value of the Bradley Lake Hydroelectric Project major components
7. Valuation methodologies and all associated reporting shall demonstrate industry best practices in utility appraisals and shall comply with codes/standards/best practices including, but not limited to:
 - a. Uniform Standards of Professional Appraisal Practices (USPAP)
 - b. Statement on Standards for Valuations Services (SSVS)
 - c. Appraisal Subcommittee (ASC) policies for the Federal Financial Institutions Examination Council (FFIEC) – e.g. ASC 805, etc.
 - d. IRS requirements and codes/standards

B. Deliverables: The contractor will provide an electronic (PDF) report for Appraisal and an excel file of project components and values..

C. Schedule: The performance period of this contract will be approximately 2 1/2 months from the award date.

- 04/17/2024: Proposals are due.
- 05/1/2024: Contract Award
- 06/15/2024 Draft appraisal due
- 07/15/2024: Final Appraisal due

Proposal Format

In response to this request, Offeror's proposals will be limited to 5 pages (max.) and must include the following:

1. A cover letter that contains the complete firm name, mailing address, and telephone number of the contact on the proposal; a statement of commitment to the project; and an Alaska business license number.
2. Include a brief discussion of your understanding of the services required, availability of staff, and any issues, potential conflicts or concerns you may have in participating in this contract.
3. Provide statement of firm qualifications. Provide the names and resumes of at least 2 staff members performing the scope of work. (Resumes do not count towards page count)
4. Offerors shall provide a fixed price cost proposal, which includes the fully loaded labor rates of the staff performing the scope of work. Cost should include staff and contractor time, travel, written materials and other associated costs.
5. At least three references for services provided over the last three years. References are to include client contact and telephone numbers.
6. A project schedule

Evaluation Criteria and Contractor Selection

This solicitation does not guarantee that a contract will be awarded. All proposals may be summarily rejected. Our intent however, is to select a contractor that best meets our requirements based on the following weighted criteria:

- 1) Cost of Proposal 40%
 - 2) Company Experience and Qualifications 30%
 - 3) Staff Expertise 30%
- Total 100% = 100 points MAX

*The distribution of points based on cost will be determined by the method set out below. The lowest cost proposal will receive the maximum number of points allocated to cost.

Deadline for Receipt of Proposal

Interested firms wishing to submit a proposal may do so by mailing, faxing, or e-mailing its proposal response to Selwin Ray, AEA, 813 West Northern Lights Boulevard, Anchorage, AK 99503, f (907) 771-3044, SRay@akenergyauthority.org, or AEAProcurement@akenergyauthority.org

Proposal must be received on or before 2:00 p.m. local time, April 17, 2024.

Firm Name

Signature

Please Print Name and Title Date

Questions

Please direct any questions about this request for proposal to me directly, I may be reached by telephone at (907) 771-3035, or by e-mail at SRay@akenergyauthority.org

Professional Regards,
Selwin C. Ray
Contract Officer