

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve an increase to the contract for engineering services with **Black & Veatch Corporation** for **Replacement Switchgear at the EWEB-owned Steam Turbine Generator System at the International Paper Mill in Springfield.**

Board Meeting Date: October 3, 2023
Project Name/Contract #: IP TG Unit 4 Switchgear Replacement / 21-011-Q
Manager: Lisa Krentz Ext. 7450
Executive Officer: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$350,000 (April 6, 2021)
Additional \$ Previously Approved: \$300,000 (November 2, 2021)
Spend over last approval: \$110,459
Amount this Request: \$180,000 (includes spend over last approval)
% Increase over last approval: 27.7 %
Resulting Cumulative Total: **\$830,000**

Contracting Method:

Method of Solicitation: Formal Request for Proposals – QBS Process
If applicable, basis for exemption: NA
Term of Agreement: Completion by December 31, 2024
Option to Renew? No
Approval for purchases “as needed”: Yes No
Proposals/Bids Received (Range): 3 (\$218,000 to \$248,200 – evaluated on initial estimated task orders)
Selection Basis: Qualification Based Selection (QBS process)

Narrative:

Operational Requirement and Alignment with Strategic Plan

The International Paper (IP) steam turbine generation system was constructed in 1976 and most of the system components are original. Many components are approaching the end of their useful service life and require replacement or upgrading, including the switchgear. The planned improvements will modernize the equipment and allow for safer and more reliable operation of the generating unit for the foreseeable future.

Additional Work Needed:

The Board has previously approved the original contract and a substantial scope amendment that was required to incorporate necessary related improvements at EWEB’s substation on the IP property. This Board approval request accommodates another scope expansion for necessary related work on the exciter system.

To support EWEB’s current standardized protective relaying technology as part of the switchgear upgrade project, engineering staff recognized the presence of an additional relay contained within the exciter that also needs to be upgraded to the current standard equipment. Though located remotely from the switchgear and primary

protective relay equipment and not initially identified within the original scope of work, this relay plays an important role in power generation reliability. This expansion of scope to include the exciter overvoltage relay involves the design of additional wiring to the exciter cabinet and configuration changes to the current generator relay. The additional scope also includes adding detailed commissioning procedures for the relay and development of relay settings. This relay work was previously scheduled in the capital plan for 2025 as part of the planned upgrade of the entire exciter system, but the work needs to be accelerated due to vulnerabilities revealed by recent operational issues and to achieve full functionality of the switchgear upgrade.

Contracted Goods or Services

To implement the capital improvement program, EWEB requires consulting engineering services to support the procurement of longer lead time equipment, the design of equipment replacements/upgrades, as well as construction period tasks.

Purchasing Process

A formal Request for Proposals was posted to the State of Oregon bid site (ORPIN) in February 2021. Four responses were received. Three were deemed responsive and responsible. Criteria for scoring included 85 points for Project Understanding & Project Approach, Firm Qualifications & Experience, Project Team Qualifications & Experience, Project Management, and 15 points for Pricing.

The proposals were evaluated and ranked in order of best overall value. Black & Veatch was selected as the highest ranked proposer.

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
23-043-Q	Seneca Generator Black Start Study	N/A	April 11, 2023 to December 31, 2023	\$78,000	\$78,000	N/A
19-052-Q	Cascadia Emergency Preparedness	N/A	16 months	\$89,000	\$89,000	N/A
20-129-Q	Smith Spill Lift	N/A	June 2020 to December 2021	\$89,500	\$89,500	N/A
Reason Code: AM = Additional Materials, AW = Additional Work, EW= Emergency Work, SD = Staff Directed, UC = Unforeseen Conditions, Other						

ACTION REQUESTED:

Management requests the Board approve an increase to the contract with Black & Veatch for engineering services for replacement of the switchgear at the EWEB-owned steam turbine generator system at the IP mill in Springfield. Approximately \$1 million was planned for these engineering design support services in the Generation Department Type 1 and 2 capital budget during the period 2021 through 2025. The overall Type 1 and 2 capital budget at IP for this period is approximately \$12 million. Variances will be managed within the budget process and Board policy.