

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **Hyundai Corporation USA** for **Three-Phase Padmounted Transformers**.

Board Meeting Date:	November 7, 2023	
Project Name/Contract #:	Three-Phase Padmounted Transformers / 23-194-G	
Manager:	Tyler Nice	Ext. 7419
Executive Officer:	Karen Kelley/Rod Price	Ext. 7153/7122

Contract Amount:

Original Contract Amount:	\$3,000,000
Additional \$ Previously Approved:	\$0
Spend over last approval:	\$0
Amount this Request:	\$3,000,000
% Increase over last approval:	NA
Resulting Cumulative Total:	\$3,000,000 (over 5 years)

Contracting Method:

Method of Solicitation:	Formal Invitation to Bid (ITB)
If applicable, basis for exemption:	NA
Term of Agreement:	Initial term is one 1 year
Option to Renew?	Yes, annually up to 5 years total
Approval for purchases "as needed":	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Proposals/Bids Received (Range):	3 (\$187,000 – \$610,600 – pricing based on limited quantities for comparison, not total quantities estimated over 5 years)
Selection Basis:	Lowest Responsive and Responsible Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

This Contract is for the purchase of three-phase padmounted transformers for use in our electric distribution system. EWEB placed several orders under recently approved contracts to mitigate the significant shortage of these items due to long lead times and rising costs, but still have customer projects in need of three-phase padmounted transformers. The previous contract provides limited production slots for order annually. This contract will initially serve to secure 16 units with shorter lead time to meet customer project schedules as well as provide for additional purchases.

Contracted Goods or Services

The transformers to be purchased under this contract include varying quantities of four (4) different classes of three-phase padmounted transformers to be stocked and stored in our Transformer shop for as-needed use in our electric distribution system. Due to long production schedules of previous contractors, this contract will serve to secure additional three-phase padmounted transformers with shorter lead time.

The pricing shown in the “Offered Price” below is just a portion of the estimated amount required to be purchased over the next 5 years and was the amount used to compare prices between the bidders. The overall contract cost estimate is based on historical usage and may change yearly depending on customer development demand and planned reliability and renewal projects. The annual cost will be within the amount budgeted for that specific year.

Purchasing Process

In September 2023, EWEB issued a Formal Invitation for Bids (ITB) for three-phase padmounted transformers. The solicitation was advertised in the State of Oregon’s public procurement site, OregonBuys. Three bids were received and two were deemed responsive and responsible. One failed to provide some of the required documents and was considered non-responsive. Hyundai Corporation USA offered the lowest bid. A due diligence review was conducted for minimum qualifications, including reference checks. Hyundai Corporation meets the minimum requirements.

Bids Received

Vendor Name	City, State	Offered Price
Anixter	Portland, OR	\$338,602
Hyundai Corporation USA	Torrance, CA	\$187,000
NEXGEN POWER, INC.	Gardena, CA	\$610,600

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved Date	Project Duration (Start to Close)	Original Amount	Final Amount	Reason Code
PO 16714	UO & Willamette Substation Switch Gears	NA	1/15/20 – 2/19/20	\$11,735	\$11,735	
PO 11074	GIS Replacement Parts	NA	3/5/19 – 5/30/19	\$5,800	\$5,800	

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 a contract with Hyundai Corporation USA for three-phase padmounted transformers. Approximately \$3.15 million was planned for these goods in the 2023 Electric Capital Budget of \$74.2 million. Variances will be managed within the budget process and Board policy.