



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital
FROM: Debra Smith, Assistant General Manager; Mel Damewood, Engineering Manager;
Frank Lawson, Systems Engineering Supervisor
DATE: February 22, 2013
SUBJECT: Schweitzer Engineering Laboratories Contract Approval – Background Information

Issue

EWEB Management is requesting Board approval of a contract to purchase substation automation equipment from Schweitzer Engineering Laboratories.

Background

EWEB's electric system is monitored and controlled by Transmission & Distribution Dispatchers located in the headquarters control center. The dispatchers are presented with real-time system-wide information on the status of transmission lines, substation equipment, generators, and other major electric elements. Much of the system information is gathered at substations, where sensors detect power levels and equipment status signals. Alarms identifying overloads, equipment failures, and other safety and reliability issues are also gathered. The signals are connected to a substation automation controller, also referred to as a Remote Terminal Unit (RTU). The substation automation controller gathers and converts the signals for communications to control center.

Most of the RTUs presently part of the EWEB system were manufactured by Landis & Gyr, and installed in the late 1980s. Replacement parts are no longer manufactured, and are not readily available through second-hand sources.

In anticipation of this obsolescence, EWEB included a \$1,200,000 RTU Replacement Project in the 2013 & 2014 years of the Capital Improvement Plan (CIP) approved last August. As EWEB replaces the RTUs, working components will be used to extend the life of installed RTUs and smooth the consumption of this capital, with funding approved year-by-year.

Discussion

In September 2012, staff issued a formal Request for Proposals (RFP) to select and establish a price agreement for the purchase of Substation Automation Equipment (Remote Telemetry Units). After a thorough review, Schweitzer Engineering Laboratories was the highest ranked proposer, and selected based on the evaluation criteria established in the RFP.

If approved, staff expects to replace up to twenty (20) RTUs over the total five year period, with four replacements planned during the first year of the contract. Staff will purchase replacement units at the established prices over the life of the contract. The contract is for one-year with the option to renew for four additional one-year periods. By extending the contract, EWEB can increase compatibility and consistency in design, programming, operations, and maintenance of the equipment. The annual cost will be within the amount budgeted for that specific year.

Recommendation

EWEB Management recommends the approval of a contract with Schweitzer Engineering Laboratories for the purchase of substation automation equipment.

Requested Board Action

EWEB Management requests Board approval of a contract with Schweitzer Engineering Laboratories for the purchase of substation automation equipment.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **Schweitzer Engineering Laboratories** for purchase of **Substation Automation Equipment**.

Board Meeting Date: March 5, 2013
Project Name/Contract#: Substation Automation Equipment/043-2012
Primary Contact: Mel Damewood Ext. 7145
Secondary Contact: Debra Smith Ext. 7196
Purchasing Contact: Sarah Gorsegner Ext. 7348

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Contract Amount:

Original Contract Amount: \$925,000 over 5 years
Additional \$ Previously Approved: \$ N/A
Invoices over last approval: \$ N/A
Percentage over last approval: N/A %
Amount this Request: \$925,000 over 5 years
Resulting Cumulative Total: \$925,000 over 5 years

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other

Contracting Method:

Method of Solicitation: Formal Request for Proposals
If applicable, basis for exemption: N/A
Term of Agreement: March 6, 2013-March 5, 2014
Option to Renew? Yes, annually for up to 5 years
Approval for purchases "as needed" for the life of the contract Yes

Form of Contract:

Single Purchase
 Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other

Narrative:

The Board is being asked to approve a new contract with **Schweitzer Engineering Laboratories, Inc.** of Pullman, Washington for the purchase of Substation Automation Equipment (Remote Telemetry Units) on an as needed basis.

EWEB requires Substation Automation Equipment (Remote Telemetry Units) to upgrade the existing Substation Automation Systems. The existing equipment is approximately 20 years old and at the end of its useful life. In September 2012, staff issued a formal Request for Proposals (RFP) to select and establish a price agreement for the purchase of Substation Automation Equipment (Remote Telemetry Units). The solicitation was reviewed by 30 companies, eight responses were submitted. Schweitzer Engineering Laboratories was the highest ranked proposer and selected based on the evaluation criteria established in the RFP.

If approved, staff expects to replace up to 20 units over the total five year period, with four units planned during the first year of the contract. Staff will purchase units at the established prices over the life of the contract. The contract is for one-year with the option to renew for four additional one-year periods. The annual cost will be within the amount budgeted for that specific year.

ACTION REQUESTED:

Management requests Board approve a new contract with **Schweitzer Engineering Laboratories, Inc** for the purchase of Substation Automation Equipment (Remote Telemetry Units) on an as needed basis. Funds for this purchase were budgeted for 2013 and will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Assistant General Manager: _____

Purchasing Manager: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____