

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with Wildish Paving Co. dba: Wildish Building Co., Eugene, OR for construction services at the Carmen Power Plant.

Board Meeting Date: 1/8/2019

Project Name/Contract #: 050-2018, Carmen Power Plant Upgrades - Substation and Switchgear Installation

Primary Contact: Susan Ackerman Ext. 7185

Contract Amount:

Original Contract Amount: \$4,577,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$4,577,000

Resulting Cumulative Total: \$4,577,000

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: **One Time Purchase (Construction and Installation Services)**

Option to Renew? No

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): **\$4,577,000**

Selection Basis: Lowest Responsible and Responsive Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

The Carmen Smith Hydro Project relies on 1963 vintage substation transformers, circuit breakers, switchgear, protection relays and control equipment for operation and power delivery of the hydroelectric generators. This substation and control equipment has reached the end of its useful service life as evidenced by a number of reliability issues that EWEB has experienced in recent years. These performance issues also indicate an increased risk of safety hazards. EWEB is currently mitigating those hazards with conservative operational practices and will eliminate them by modernizing the substation and control equipment at the plant. This project is part of the overall renewal efforts underway at the Carmen Power Plant, which together will prepare the facility for another 40 years of safe and reliable operation under a new FERC operating license. The construction and installation services to be procured with this contract are necessary for control, protection and operation of the Carmen-Smith power generation system.

Contracted Goods or Services

Overall project objectives are to make structural improvements and roof repairs to the Carmen Power Plant, rehabilitate the substation, install switchgear and create a new control room, and install new relay and controls for the Carmen Power Plant as part of the EWEB Major Rehabilitation Program.

Project scope:

- Installation of owner furnished equipment to essentially rebuild the substation including transformers, breakers, switchgear, relay panels controllers and other related gear.
- Construction of a control room on the turbine floor
- Powerhouse structural repair, seismic retrofits, and roof replacement.

Prior Contract Activities

Wildish has previously provided a significant amount of work for EWEB in the past. Examples include:

- CM/GC contract for Carmen-Smith improvements (#002-2011.)
- Smith Debris Boom and Spillway (010-2018)
- Leaburg Rollgate Improvements (042-2013)
- Carmen Hoist Improvements (023-2017)

Purchasing Process

Staff issued a formal Invitation to Bid on October 2, 2018. EWEB sent notification of the bid directly to 35 companies who had participated in or expressed interest in two past substation bids. The bid was posted on the bid site for the state of Oregon (ORPIN), as well as advertised in the Portland Daily Journal of Commerce. Fourteen (14) companies attended the mandatory pre-bid meeting, including several large electrical firms who could have bid as the primary contractor. The bid was extended 2 weeks longer than the average time given to respond to a formal bid and there were a good deal of questions from perspective contractors that were responded to via the addenda process.

One bid was received from Wildish Paving Co. dba: Wildish Building Co., Eugene, OR and was found to be Responsive and Responsible. If approved, Wildish Paving Co. dba: Wildish Building Co., Eugene, OR will provide construction services, as specified in the solicitation documents.

Bidder/Proposer Information

No Other Bids Received

Bidder/Proposer Location

Competitive Fair Price (If less than 3 responses received)

Black and Veatch Engineering was retained by EWEB to design the substation and provided a Class 1 Opinion of Probable Construction Cost estimate that ranged from \$3,832,200 to \$4,543,300. Estimates produced using this methodology have a range of plus 15% to minus 3%. Wildish’s bid of \$4,577,000 is slightly higher at 15.8% above the base bid estimate of \$3,950,700, but within acceptable limits. Only one bid was received for this particular project. This project presented unique challenges to contractors which likely discouraged them from submitting bids. The combination of civil infrastructure repair with generation substation reconstruction is an atypical arrangement for most substation contractors that introduces additional schedule and project risk, along with complexity to the project. Informal feedback from bidders also indicated that the industry in general lacks the labor and construction management capacity to be able to complete all projects currently available in the industry. Management has considered delaying the project, but determined that the bidding climate is not likely to improve in the next year, while the existing equipment continues to age and the project needs would not change. Additionally, other necessary refurbishment projects already under contract would need to be delayed, resulting in certain cost increases.

ACTION REQUESTED:

Management requests the Board approve a contract with Wildish Paving Co. dba: Wildish Building Co., Eugene, OR for construction services. Funds for the purchase were budgeted for 2019. The total Carmen-Smith Relicensing Type 3 budget for 2019 is \$14.98 million.