

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the General Manager to approve a contract for **Switchgear Equipment**.

Board Meeting Date: May 3, 2022
Project Name/Contract #: Switchgear for IP Power Plant 4 / 22-098-G
Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$550,000
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Amount this Request: \$550,000
Percentage over last approval: %0
Resulting Cumulative Total: **\$550,000**

Contracting Method:

Method of Solicitation: Formal Invitation to Bid
If applicable, basis for exemption: NA
Term of Agreement: 1 year
Option to Renew? Yes
Approval for purchases *"as needed"*
for the life of the Contract: Yes No
Proposals/Bids Received (Range):
Selection Basis: Lowest Responsive and Responsible Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

This capital improvement project is critical to ensuring safe and reliable operation of EWEB's steam turbine generator (TG4) at the International Paper (IP) paper mill in Springfield. The existing switchgear for TG4 was originally installed in 1975 and has reached the end of its expected useful life. The relays and breakers contained within the switchgear are no longer supported by manufacturers such that spare parts must be sourced from refurbished equipment vendors and these parts have become increasingly scarce.

Modern switchgear will be safer for operation and maintenance staff, incorporating arc flash monitoring, remote racking capabilities, and high-speed digital relays. Maintenance costs will be reduced as digital relay testing is faster and less frequent. Troubleshooting will also be more efficient and effective as digital relays record detailed event data that can be quickly accessed remotely.

Contracted Goods or Services

This contract provides for the supply of metal enclosed switchgear including associated vacuum breakers, protective relays, connecting bus work and other ancillary equipment.

Purchasing Process

In March 2022, staff issued a Formal Invitation to Bid (ITB) for switchgear for IP TG4. The solicitation was advertised on the State of Oregon's public procurement site, OregonBuys. Three bids were received and all three submitted offers with various degrees of errors, failing to submit as required by the bid document. The original solicitation was cancelled, but a new solicitation will be posted on April 26, 2022 with a closing date of May 10, 2022 and will be in compliance with all the requirements of a formal solicitation process. EWEB expects all 3 bidders to re-bid, as well as a fourth bidder who was unable to respond in time for the original bid. If the Board allows the General Manager to approve a contract resulting from the next solicitation by approximately May 12, 2022, the 3 week savings in time will significantly impact all bidders' ability to deliver by the needed delivery date of February 1, 2023. The delivery date is critical to the project because the work must be coordinated with the mill's scheduled shut down.

The 3 original bids (after corrections were made) ranged from \$450,000 to \$650,000. Staff estimates that the low bid from the next solicitation will be approximately \$500,000, a slight increase over the original low bid to reflect expediting costs.

Prior Contract Activities

None

ACTION REQUESTED:

Management requests the Board authorize the General Manager to approve a contract, not to exceed \$550,000 for the purchase of switchgear equipment upon completion of a formal bid process. Due to long lead times, EWEB will not receive this equipment until 2023. Approximately \$550,000 will be budgeted for these goods in the Generation Department's 2023 capital budget which is expected to be approximately \$30 million. Variances will be managed within the budget process and Board policy.