



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Mital, Simpson, Helgeson, Manning and Brown
FROM: Mel Damewood, Engineering Manager, Frank Lawson, Systems Engineering Supervisor, and Philip Peterson, Staff Electrical Engineer
DATE: November 20, 2015
SUBJECT: WEG Electric Corporation for Holden Creek Transformer Purchase
OBJECTIVE: Approve Contract

Issue

Staff is requesting approval of the contract to purchase power transformers for the new Holden Creek Substation.

Background

EWEB is designing the new Holden Creek Substation with plans to begin construction in 2016. The status of this project was discussed in November Board Correspondence in a document entitled “Significant Type 2 Project Update/Cost Increase: Holden Creek Substation”.

EWEB requires two (2) new transformers for Holden Creek including a 20MVA transformer to connect customer load, and a 25MVA generator step-up (GSU) to connect Leaburg generation. These transformers will be purchased from a single manufacturer, capable of designing and building both units.

Discussion

EWEB issued RFP 036-2015 in August of 2015, inviting transformer manufacturers to submit a solution to EWEB for the purchase and installation of two (2) transformers for the new Holden Creek Substation. The RFP was scored based on considerations of total lifecycle costs, sound level, adherence to EWEB technical specifications, adherence to EWEB terms and conditions, and phone interviews with vendor-supplied references.

The RFP was reviewed by 15 companies. Nine (9) responses were received.

The RFP was reviewed by staff and the list of potential candidates was narrowed down to two (2) after reviewing total lifecycle costs, sound level, and adherence to EWEB technical specifications: these two (2) finalists were SPX Transformer Solutions (Waukesha) of Waukesha, WI and WEG of Duluth, GA. After review of adherence to EWEB terms and conditions and phone interviews with vendor-supplied references WEG Electric Corp. was the highest ranked proposer.

WEG manufactures their transformers in two (2) facilities in Mexico. EWEB has not entered business with WEG before, but they have been bidders on several past RFPs. EWEB personnel have experience working with international suppliers in this global market.

Recommendation

Staff recommends the approval of a contract with WEG for the purchase of two (2) transformers, including one (1) 20MVA for distribution, and one (1) 25MVA for Leaburg generation.

Requested Action

Approval of a contract with WEG for the purchase of the Holden Creek transformers.

If you have any questions please contact Mel Damewood by email at mel.damewood@eweb.org or by telephone 541-685-7145.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **WEG Electric Corp.** for the purchase of two (2) transformers for Holden Creek Substation.

Board Meeting Date: December 1, 2015
Project Name/Contract#: Holden Creek Substation Transformers/RFP 036-2015
Primary Contact: Mel Damewood Ext. 7145
Purchasing Contact: Ramie Alkire Ext. 7413

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Contract Amount:

Original Contract Amount: \$ 945,000
Additional \$ Previously Approved: \$ N/A
Invoices over last approval: \$ N/A
Percentage over last approval: N/A %
Amount this Request: \$ 945,000
Resulting Cumulative Total: \$ 945,000

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: December 31, 2016
Option to Renew? No

Form of Contract:

Single Purchase
 Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other

Approval for purchases "as needed" for the life of the contract No

Narrative:

The Board is being asked to approve a new contract with **WEG Electric Corp.** of Duluth, Georgia for the purchase of two transformers for Holden Creek Substation.

EWEB requires two (2) new transformers for Holden Creek Substation. This includes a 20MVA transformer to connect distribution customer load, and a 25MVA generator step-up (GSU) to connect Leaburg generation. These transformers will be purchased from a single manufacturer capable of designing and building both units. In August, 2015, EWEB issued a formal RFP for the purchase of the transformers. The RFP was scored based on considerations of total lifecycle cost, sound level, adherence to EWEB technical specifications, adherence to EWEB terms and conditions, and phone interviews with vendor-supplied references. The RFP was reviewed by 15 companies. Nine responses were received; WEG Electric Corp was determined to be the highest ranked proposer.

Responses were received by HD Supply of Portland, OR; Shihlin Electric of Pasadena, CA; WEG Electric of Duluth, GA; SPX Waukesha of Waukesha, WI; Virginia Transformer Corp. of Roanoke, VA; Whitefish Energy Holdings of Whitefish, MT; Delta Star of San Carlos, CA; MVA Power of Montreal, Quebec (CA); and CG Power of Washington, MO.

If approved, staff will purchase two transformers at the established prices.

ACTION REQUESTED:

Management requests the Board approve a new contract with **WEG Electric Corp.** of Duluth, Georgia for the purchase of **two transformers for Holden Creek Substation.** Funds for this purchase were budgeted for 2016.

SIGNATURES:

Project Coordinator: _____

LT Manager: _____

Purchasing Manager: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____