

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with Peak Reliability (Peak) for Western Interconnection reliability coordinating services.

Board Meeting Date: 2/5/2019

Project Name/Contract #: Peak Reliability Coordinator Services, #16246

Primary Contact: Rod Price Ext.7122

Contract Amount:

Original Contract Amount: \$181,000 over one year

Additional \$ Previously Approved: \$n/a

Invoices over last approval: \$n/a

Percentage over last approval: 0%

Amount this Request: \$181,000 over one year

Resulting Cumulative Total: \$181,000 over one year

Contracting Method:

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: Sole Source

Term of Agreement: 1/1/19 – 12/31/19

Option to Renew? no

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

Proposals/Bids Received (Range): N/A

Selection Basis: Sole Source

Narrative:

Operational Requirement and Alignment with Strategic Plan

Under EWEB's existing North American Electric Reliability Corporation (NERC) registration, this is a required annual contribution to a shared cost among NERC registered entities under the Western Electrical Coordinating Council's (WECC) area of responsibility. Peak Reliability provides regulatory system oversight and quality assurance services to ensure and maintain regulatory compliance. This is required and is also in line with EWEB's strategic plan by maintaining reliability of the electric system through analysis and real time response to outage and loading conditions.

Contracted Goods or Services

Peak's services include situational awareness and real-time monitoring as the Reliability Coordinator (RC) for the Western Interconnection. They determine the appropriate level of Bulk Electric System (BES) reliability and provide an early warning of risks to the stability and security of the system by monitoring to detect Reliability Standards violations and assume restoration leadership following major reliability events. Peak provides these services through engineering and the real time electric dispatch coordination.

Prior Contract Activities

Peak Reliability has provided these services on a membership funded basis since 2015. The membership fees fund Peak's performance of the RC functions. Historically annual fees have not exceeded \$150,000 and not required board approval, however this year's fees, calculated from a percentage of net energy for load has reached an amount that requires board approval.

Purchasing Process

n/a – Exempt per EWEB Rule 3-0275 Sole-source Procurements

Bidder/Proposer Information

n/a

Bidder/Proposer Location

Competitive Fair Price (If less than 3 responses received)

Competitive pricing via bidding or other methods is not applicable or possible with this contract. This service is required from this sole provider under our obligations within our NERC registration. There are no other options to avoid this regulatory/compliance commitment to these services.

ACTION REQUESTED:

Management requests the Board approve a contract with Peak Reliability for Western Interconnection reliability coordinating services. Funds for these services were budgeted for 2019. The total division budget for 2019 is \$22.7 million, the total contract value is more than the original expected amount of \$140,000.