

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve an Intergovernmental Agreement with **Energy Northwest** for operation and maintenance of the Stone Creek Hydroelectric Project.

Board Meeting Date: 5/5/2020

Project Name/Contract #: Stone Creek Hydroelectric Project Operation and Maintenance Agreement / IGA 20-105

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$2,000,000 per year over 5 years

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$2,000,000 per year over 5 years

Resulting Cumulative Total: \$2,000,000 per year over 5 years

Contracting Method:

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: Intergovernmental Agreement

Term of Agreement: **Five years (June 30, 2025)**

Option to Renew? Yes, annual option after initial five years.

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

Proposals/Bids Received (Range): N/A

Selection Basis: N/A

Narrative:

Operational Requirement and Alignment with Strategic Plan

This IGA with Energy Northwest, a governmental agency based in Richland, Washington, will provide for the operation and maintenance (O&M) of EWEB's Stone Creek Hydroelectric Project located on the Oak Grove Fork of the Clackamas River near Estacada, Oregon. EWEB has owned the Stone Creek Project since 1994 and since that time the Project has been operated for EWEB by Portland General Electric (PGE). The current PGE O&M agreement expires on May 31, 2020, and PGE has indicated that they will no longer operate the Plant for EWEB.

Contracted Goods or Services

Daily operation and maintenance of the Stone Creek Hydroelectric Plant for EWEB. Includes O&M services including daily inspections, preventive maintenance, minor equipment repair and replacement and alarm response and diagnostics. Includes facilities from the Project diversion dam to the Harriet Lake substation.

Prior Contract Activities

This is EWEB's first IGA with Energy Northwest.

Purchasing Process

EWEB works with Energy Northwest in the operation of the Portland Water Bureau's Bull Run power plants for the City of Portland. When PGE indicated that they would no longer operate Stone Creek for EWEB, EWEB reached out to Energy Northwest to gauge their interest in establishing an IGA for the work. EWEB subsequently toured a number of Energy Northwest operated hydroelectric facilities and then met to negotiate the terms of the IGA.

Competitive Fair Price (If fewer than 3 responses received)

Energy Northwest is a governmental entity that operates power plants for others under IGAs.

ACTION REQUESTED:

Management requests the Board approve an Intergovernmental Agreement (IGA) with Energy Northwest for the Operation and Maintenance of the Stone Creek Hydroelectric Facility. Approximately \$350,000 was planned for these services in the Generation Department 2020 budget of \$10.2 million. Variances will be managed within the budget process and Board policy.