EWEB Board Consent Calendar Request
For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new price agreement with Carte International (Carte) for Three Phase Network Transformers.

Board Meeting Date: 7/7/20
Project Name/Contract #: Three Phase Network Transformers / 20-102-G
Primary Contact: Rod Price Ext. 7122

Contract Amount:
Original Contract Amount: $1,300,000 (estimated over 5-year period)
Additional $ Previously Approved: N/A
Invoices over last approval: N/A
Percentage over last approval: N/A
Amount this Request: $1,300,000 (estimated over 5-year period)
Resulting Cumulative Total: $1,300,000 (estimated over 5-year period)

Contracting Method:
Method of Solicitation: Formal RFP
If applicable, basis for exemption: N/A
Term of Agreement: 1 year, with option to renew up to 5 years
Option to Renew? Annually up to five years
Approval for purchases “as needed” for the life of the Contract Yes ☒ No ☐
Proposals/Bids Received: 6
Selection Basis: Highest Ranked Proposer

Operational Requirement and Alignment with Strategic Plan
EWEB requires Three Phase Network Transformers for unit failure replacement and for new construction for the downtown Network.

Contracted Goods or Services
The goods to be purchased under this price agreement include four types of Network Transformers. Network Transformers are to be purchased as needed. Based on prior use, we estimate our 5-year use to be:

25 EA TRANSFORMER NETWORK 500 KVA 12 KV DELTA 216Y/125 VOLT THREE PHASE THREE HIGH VOLTAGE BUSHING WITH HIGH VOLTAGE SWITCH WITH STRADDLE TAPS.

1 EA TRANSFORMER NETWORK 500 KVA 12 KV DELTA 480Y/277 VOLT THREE PHASE THREE HIGH VOLTAGE BUSHINGS WITH HIGH VOLTAGE SWITCH WITH STRADDLE TAPS.

1 EA TRANSFORMER NETWORK 750 KVA 12 KV DELTA 216Y/125 VOLT THREE PHASE THREE HIGH VOLTAGE BUSHINGS WITH HIGH VOLTAGE SWITCH WITH STRADDLE TAPS.

1 EA TRANSFORMER NETWORK 750 KVA 12 KV DELTA 480Y/277 VOLT THREE PHASE THREE HIGH VOLTAGE BUSHINGS WITH HIGH VOLTAGE SWITCH WITH STRADDLE TAPS.

Prior Contract Activities
EWEB previously contracted with Carte for network transformers under EWEB Contract 053-2012. Carte has been a successful Contractor, meeting EWEB’s product quality and service requirements.
In May 2020, EWEB issued a formal Request for Proposals (RFP 20-102-G) for Three Phase Network Transformers. The solicitation was advertised on the Oregon Procurement Information Network (ORPIN).

Six proposals were evaluated and scored. Criteria and weighting included: Compliance with EWEB Specification and Experience (50%); References and Past Performance (30%); Pricing (20%). Carte International was selected as the highest ranked, responsive, and responsible proposer.

<table>
<thead>
<tr>
<th>Vendor Name (MFG)</th>
<th>City, State</th>
<th>Offered Price</th>
<th>Ranking (for Request For Proposals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carte International</td>
<td>Manitoba, Canada</td>
<td>$1.3 million (5-year total)</td>
<td>1</td>
</tr>
<tr>
<td>Anixter (GE)</td>
<td>Portland, OR</td>
<td>$1.2 million (5-year total)</td>
<td>2</td>
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<tr>
<td>WESCO (ABB)</td>
<td>Portland, OR</td>
<td>$2.2 million (5-year total)</td>
<td>3</td>
</tr>
<tr>
<td>General Pacific (Howard)</td>
<td>Fairview, OR</td>
<td>$1.4 million (5-year total)</td>
<td>4 (same score)</td>
</tr>
<tr>
<td>Pioneer Transformers</td>
<td>Ontario, Canada</td>
<td>$1.1 million (5-year total)</td>
<td>4 (same score)</td>
</tr>
<tr>
<td>MVA</td>
<td>Quebec, Canada</td>
<td>$1.0 million (5-year total)</td>
<td>5</td>
</tr>
</tbody>
</table>

Competitive Fair Price (If less than 3 responses received)
N/A

**ACTION REQUESTED:**

Management requests the Board approve a new Price Agreement with Carte International for Three Phase Network Transformers. Approximately $256,000 was planned for these goods in the Electric Capital 2020 budget of $46.9 million. Future year’s spending is dependent on available funding for this work and is planned for in the 10 year CIP. This contract is used at EWEB’s discretion. Variances will be managed within the budget process and Board policy.
EWEB Board Consent Calendar Request
For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the use of a cooperative contract for Fleet GPS Tracking & Telematics from GPS Insight.

Board Meeting Date:     July 7, 2020
Project Name/Contract #:  Fleet GPS Tracking & Telematics/Sourcewell Contract #022217-GPI
Primary Contact:  Rod Price    Ext. 7122
Expected Spend:  $150,000 over 2 years

Narrative:

The Board is being asked to authorize the use of the GPS Insight Contract #022217-GPI, a cooperative contract through Sourcewell, for the purchase of on-going Fleet GPS Tracking and Telematics.

EWEB has used GPS telematics to track the use and location of fleet assets since 2012 and is currently using Insight as the provider. By using telematics in our fleet, we can display current vehicle locations in an ArcGIS mapping system, allowing dispatchers and coordinators to see where EWEB vehicles are in relation to addresses and resources, such as water lines, power lines, transformers, and fuses. This creates efficiency for dispatching field crews, helping to ensure quick response during an outage. The technology also enables us to direct emergency services to an accurate location in the event of an accident and may be used if there is a vehicle related claim or complaint against EWEB. The use of telematics informs our fleet operations, maintenance, and replacement schedule by providing data on vehicle use and downtime.

ACTION REQUESTED:

Management requests the Board authorize the use the Sourcewell cooperative contract #022217-GPI from GPS Insight. Approximately $55K was planned for these services in the Fleet Services 2020 O&M budget of $2.2 million. Variances will be managed within the budget process and Board policy.
EWEB Board Consent Calendar Request
*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve an amendment to a contract with McKenzie Watershed Alliance for managing timber harvest for logging and related services at the Deer Creek Transmission Line.

**Board Meeting Date:** July 7, 2020

**Project Name/Contract #:** Amendment #1 to Deer Creek Transmission Line Corridor Timber Harvest/ #20-116-SC

**Primary Contact:** Rod Price Ext. 7122

**Contract Amount:**
- Original Contract Amount: $254,000
- Additional $ Previously Approved: $0
- Invoices over last approval: $0
- Percentage over last approval: 48.2%
- Amount this Request: $122,500
- **Resulting Cumulative Total:** $376,500

**Contracting Method:**
- Method of Solicitation: Direct Negotiation
- If applicable, basis for exemption: EWEB Rule 3-0275 Sole Source
- **Term of Agreement:** One-time purchase
- **Option to Renew?** Yes
- 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**

On May 17, 2019, the Federal Energy Regulatory Commission (FERC) issued to the Eugene Water & Electric Board (EWEB) an Operating License for the Carmen-Smith Hydroelectric Project. The license requires EWEB to provide for the relocation of the Deer Creek Valley portion of the 115 kV transmission line out of Deer Creek riparian area and to the southwest, within three years after License issuance.

The timber harvest is scheduled to be managed by McKenzie Watershed Alliance (MWA) for summer 2020. Following the harvest, the Forest Service will be placing the trees in a stream restoration project in Deer Creek. Transmission line relocation is scheduled to begin May 31, 2021 and will be performed by EWEB Electric Operations crews. It is anticipated that McKenzie Watershed Alliance will contract with BCI Contracting, Inc. who had the lowest unit cost and most years of experience, for the timber harvest and stream restoration project.

**Contracted Goods or Services**

McKenzie Watershed Alliance will manage the logging of the new transmission corridor and hazard tree corridor as required for the Deer Creek Transmission line relocation project.
Prior Contract Activities
The EWEB Board approved the contract on June 2, 2020, in the amount of $254,000. This dollar amount was negotiated based on an estimate of trees and slash quantities using lidar technology. On June 3 & 4, 2020, MWA’s Contractor did a manual count of the trees and slash within the defined logging corridor and found that slash quantities had been underestimated by 40%. Costs were recalculated to reflect the increase in quantities. As a measure of goodwill, MWA did not include the increases in mobilization, project management, or MWA indirect costs resulting from the budget increase. Overall, MWA will receive $43,030 of the $376,500, with the contractor, BCI, receiving the remainder.

Purchasing Process
The management services were procured by means of direct negotiation from McKenzie Watershed Alliance as a sole source and the contract was approved by the Board on June 2, 2020.

Competitive Fair Price (If less than 3 responses received)
The McKenzie Watershed Alliance completed a competitive process to select a contractor for the logging activities; the cost of service is a pass-through expense for EWEB.

ACTION REQUESTED:
Management requests the Board approve an amendment to a contract with McKenzie Watershed Alliance for the timber harvest of the new transmission corridor and associated hazard tree corridor. Approximately $1.1 million was planned for the Deer Creek T-line Relocation in the Carmen – Smith License Deployment Department 2020 budget of $19 million. Variances will be managed within the budget process and Board policy.
EWEB Board Consent Calendar Request
For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with Platt Electric, Inc. for turn-key replacement of seven (7) legacy variable frequency drives (VFD’s) supplied by ABB, over a period of 5 years.

Board Meeting Date: July 7, 2020
Project Name/Contract #: Finished Water Pump Station, Variable Frequency Drive Replacement / Contract # 20-099-GS
Primary Contact: Rod Price Ext. 7122

Contract Amount:
Original Contract Amount: $600,000 over 5 years
Additional $ Previously Approved: $0
Invoices over last approval: $0
Percentage over last approval: 0 %
Amount this Request: $600,000 (for 7 VFD’s)
Resulting Cumulative Total: $600,000 over 5 years

Contracting Method:
Method of Solicitation: Formal Request for Proposal
If applicable, basis for exemption: N/A
Term of Agreement: 1 year with the option to renew up to 5 years
Option to Renew? Yes
Approval for purchases “as needed” for the life of the Contract: Yes ☒ No ☐
Proposals/Bids Received (Range): 2 - $444,915 to $595,871
Selection Basis: Highest ranked responsive and responsible proposer

Narrative:
Operational Requirement and Alignment with Strategic Plan
The Hayden Bridge Water Treatment Plant (WTP), Finished Water Pump Station (FWPS), supplies finished drinking water from a 15 million-gallon reservoir, to the EWEB water distribution system. Pumping is accomplished via seven (7) vertical turbine pumps, driven individually, by 600 hp motors; each with its own variable frequency drive (VFD). The purpose of the VFD is to allow pumping at a specific flowrate to match the changing demand of the distribution system.

Estimates for the typical lifespan of a VFD vary from 5-15 years, depending upon factors including, manufacture, quality of build, installation location, and environmental conditions. The VFD’s in the Finished Water Pump Station (FWPS) were procured in 2002, have been in operation since early 2003, and have exceeded the 15 year lifespan estimate. They are obsolete and as such, are no longer supported by the manufacturer. This project will replace these VFD’s on a 5-year schedule.
**Contracted Goods or Services**

The contractor will replace seven (7) VFD’s over a five (5) year period:

- One in 2020
- Pending renewal - Two in 2021
- Pending renewal - Two in 2022
- Pending renewal - Two in 2023

The service includes removal of existing components, installation of the modular frame within the existing VFD enclosure, installation and wiring of modules, connection to EWEB’s existing field-hardware, set-up and start-up of the VFD, including operation from the new local-control panel. Work will be scheduled during low-demand periods to minimize impacts to the water supply.

**Prior Contract Activities**

EWEB routinely purchases stores materials from Platt. Materials are provided on time and at competitive prices.

**Purchasing Process**

Staff issued a formal Request for Proposal in May 2020. Staff received two proposals and the highest ranked, responsive and responsible proposal was received from Platt Electric Inc. of Eugene, Oregon. Evaluation criteria included:

- General Adequacy of Proposed Replacement (15 points)
- Solution Modularity (20 points)
- Solution Active Front End/Line Supply Unit (15 points)
- I/O Interface, Local Controls, Communication (10 points)
- Operator Interface (5 points)
- Ability to Provide a Turn-Key Solution (20 points)
- Operational, Control, and Safety (10 points)
- Price (5 points)

<table>
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<th>Offered Price</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platt Electric Inc.</td>
<td>Eugene, Oregon</td>
<td>$595,870.94</td>
<td>91 points</td>
</tr>
<tr>
<td>US West Corporation</td>
<td>Myrtle Creek, Oregon</td>
<td>$444,915.00</td>
<td>Non-responsive</td>
</tr>
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</table>

**Competitive Fair Price (if less than 3 responses received)**

EWEB invited seven manufacturers (and their representatives) to propose, and to attend a pre-bid meeting. Despite the excellent attendance, we only received two proposals; one was non-responsive due to missing documentation and failure to submit documentation of minimum qualifications. Retrofit installations of VFD’s tend to be highly customized. The spacing constraints and commitment by manufacturers may have proven too difficult or time-consuming for most manufacturers. Based on prior discussions with contractors, equipment and installation costs, and comparison pricing for other purchased VFD’s, staff are confident that the offered price is at market rates for the purchase and installation of the equipment.

**ACTION REQUESTED:**

Management requests the Board approve a new contract with Platt Electric, Inc. for **turn-key replacement of seven (7) legacy VFD’s**. Approximately $100,000 was planned for these goods or services in the 2020
Water Capital budget of $18 Million, and the remaining VFD replacements will be budgeted annually through the life of the contract. Variances will be managed within the budget process and Board policy.
EWEB Board Consent Calendar Request
For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Purchase Order with Xylem for water quality monitoring equipment.

Board Meeting Date: 7/7/2020

Project Name/Contract #: Water Quality Equipment Maintenance (over 5-Years)/Purchase Order #21333, Contract #20-134-S

Primary Contact: Rod Price Ext.7122

Contract Amount:
Original Contract Amount: $0
Additional $ Previously Approved: $137,315 equipment purchases on PO in May 2020
Invoices over last approval: $0
Percentage over last approval: 0%
Amount this Request: $50,000

Resulting Cumulative Total: $187,315, including recent purchase and maintenance and support agreement

Contracting Method:
Method of Solicitation: Direct Negotiation
If applicable, basis for exemption: Sole Source, utilization of existing goods requires the acquisition of compatible goods, EWEB rule 3-0275

Term of Agreement: 7/9/2025
Option to Renew? No

Approval for purchases “as needed” for the life of the Contract Yes ☐ No ☒

Proposals/Bids Received (Range): Direct Negotiation
Selection Basis: Sole Source

Narrative:

Operational Requirement and Alignment with Strategic Plan
EWEB’s Source Protection staff worked with the U.S Geological Survey (USGS) to establish real-time water quality monitoring stations as part of an early warning system for harmful algal blooms, cyanotoxins, and other water quality events that occur in the upper McKenzie Watershed. In May 2020 staff purchased water quality equipment (Capital purchase of $137,315) to expand the existing network of real-time water quality monitoring. Staff have negotiated a maintenance and support agreement ($50,000) to allow purchase of replacement probes, parts, and repair services over the next five years primarily for the older water quality equipment EWEB has owned and used for many years. This investment aligns with EWEB’s 10-Year Strategic Plan by fostering customer confidence (phase I) through the protection of drinking water source(s) and allowing EWEB to maintain excellent water quality. The expansion of continuous water quality monitoring stations as an early warning system was a key part of EWEB’s Drinking Water Source Protection 10-Year Strategic Plan (2018-2028) that was adopted in January 2018.

Contracted Goods or Services
This contract will purchase replacement probes and parts, as well as replace failing equipment, as needed, over the next 5 years.

Prior Contract Activities
EWEB has purchased equipment using Capital funds. Purchases include YSI multi-parameter water quality instruments (or sondes), data loggers, telemetry, solar panels, and security boxes to establish real-time water quality monitoring stations at Keizer Slough, Camp Creek, Cedar Creek, and Gate Creek. EWEB also purchased an autosampler that will be installed at the Keizer Slough monitoring station that collects samples automatically when triggered. These water quality monitoring stations can be moved to other areas in the watershed in the future.
The equipment performs consistently and allows for compatible data sharing between EWEB and USGS.

**Purchasing Process**
In 2003, EWEB completed a competitive process and selected YSI (now a Xylem Brand) as the provider of water quality monitoring stations. A Sole Source was established in 2009 and has been reviewed and renewed multiple times to allow expansion and maintenance of the system.

**Competitive Fair Price (If less than 3 responses received)**
The cost to replace and upgrade existing equipment would be substantially higher than the current additional equipment and proposed maintenance costs. A review of the market for similar equipment from other business indicates that Xylem’s equipment costs are at market rates. Xylem’s main competitor has similar water quality equipment and is priced within 3% of YSI equipment. However, they do not have the dissolved organic matter sensor (fDOM) or central wiper that comes with YSI sondes.

**ACTION REQUESTED:**
Management requests the Board approve a Purchase Order Contract with Xylem for replacement probes/parts and servicing to maintain real-time water quality monitoring equipment over the next five years. Approximately $150,000 were budgeted for these purchases from the water capital and Source Water Protection O&M budgets which combined for 2020 totals approximately $19.6 million.
MEMORANDUM
EUGENE WATER & ELECTRIC BOARD

TO: Commissioners Mital, Schlossberg, Helgeson, Brown, and Carlson
FROM: Deborah Hart, CFO; Rene Gonzalez, Customer Solutions Manager; and Anna Wade, Business Line Manager
DATE: July 1, 2020
SUBJECT: Resolution No. 2021, Transfer of Business Growth & Retention Reserves

OBJECTIVE: Board Action

Issue
Periodically the Board evaluates the allocation to certain designated funds. This memo provides a recommendation for a transfer that will better utilize funds held in the Business Growth & Retention Loan Fund.

Background
In May 2012, the Board authorized a $2 million reserve to fund an Economic Development Loan Pilot Program to explore the economic and community benefits of assisting customers with the costs of establishing or expanding EWEB services.

Following the pilot period, the Business Growth & Retention Loan and Rate Rider were incorporated into Customer Service policies on a standing basis. Additionally, the Board adopted program changes designed to streamline program administration and increase flexibility for participants. Despite these changes, program participation has remained very low. Since its inception in 2012, the loan fund has guaranteed 20 loans totaling $795,000. Two customers account for $660,000 and the average loan amount, excluding those two, was $7000. There are 16 loans outstanding with a total balance of $36,000.

As of April 2020, the combined water and electric Business Growth & Retention Loan Fund (BG&R reserve) balance was $2.2 million for Electric and $200,000 for Water.

EWEB has taken significant actions in response to the Covid-19 health crisis. Those actions include suspension of shut-offs and late fees, increased budgets for bill assistance, expanded bill assistance eligibility and options to defer existing loans. Those actions, combined with balances of past due accounts receivables of approximately $2.5 million, and lower than expected consumption, have put financial pressure on the Utility. As a result, Finance is evaluating the highest & best use of existing financial resources.

Discussion
As the utility pivots from reintegration to the response phase, customer-facing programs have been developed to create a viable path to repayment for all customer classes. Shifting these funds to
Working Cash would help provide a backstop in the event of participant default and uncollectable account balances.

Additionally, we do not know how long or how deep the economic impact from COVID-19 will be. There has already been significant demand for customer care programs. Repurposing the BG&R reserve would free up funds for additional customer care allocations should EWEB see a need later in the year.

Finally, a reserve is not necessary to operate a loan program. EWEB has a variety of other loan programs that operate without a reserve. Business Growth and Retention loans can still be offered. The transfer would also free up designated cash that is not being well utilized, in a time when cash is particularly important.

**Recommendation**
Management recommends approval of Board Resolution No. 2021 to transfer the balances of the Business Growth & Retention Loan Funds to Working Cash.

**Requested Board Action**
Approve Board Resolution No. 2021
RESOLUTION NO. 2021
JULY 2020

EUGENE WATER & ELECTRIC BOARD
RESERVE DESIGNATION

WHEREAS, the Eugene Water & Electric Board is the body designated by the Eugene City Charter and City Code to administer the Electric and Water Utilities of the City of Eugene;

WHEREAS, the Board authorized a reserve to fund the Economic Development Loan Pilot Program to assist customers with one-time service costs;

WHEREAS, the Board has approved changes to the loan program now referred to as the Business Growth & Retention Loan Program, which expanded the types of one-time service costs eligible for loans and eased other loan qualification criteria;

WHEREAS, customer participation in the loan program remains low;

WHEREAS, the COVID-19 health crisis has led to an economic crisis with local impacts including decreased electricity consumption and increased demand for EWEB’s customer care programs;

WHEREAS, a reserve is not necessary to continue the Business Growth & Retention Loan Program;

WHEREAS, the financial recovery of EWEB and its customers from the economic crisis is best served with undesignated cash;

THEREFORE BE IT RESOLVED that the Eugene Water & Electric Board hereby approves transferring the Business Growth and Retention Reserves for the Water Utility and the Electric Utility to Working Cash.

Dated this 7th day of July 2020

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President
I, ANNE M. KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its July 7, 2020 Board Meeting.

_________________________________________
Assistant Secretary