



INTEROFFICE MEMO

EUGENE WATER & ELECTRIC BOARD
ELECTRIC SERVICES DIVISION

Rely on us.

September 30, 2009

TO: Commissioners Farmer, Brown, Cassidy, Cunningham, and Ernst
FROM: Tony Toncray, Distribution Engineering Supervisor
RE: Award Of Contract For Pad-mount Switchgear

ISSUE

An existing contract with General Pacific, Inc. for the purchase of Federal Pacific 15KV pad-mount switchgear is expiring and a new contract must be awarded.

BACKGROUND

EWEB currently uses Federal Pacific 15KV pad-mounted switchgear on our underground electric distribution system and has a contract in place with General Pacific, Inc., for purchase of this equipment. That contract is expiring and EWEB must follow the competitive bid process to select a distributor that can provide a switch that meets EWEB's specifications and terms and conditions with regard to pricing and product availability.

DISCUSSION

EWEB currently purchases an average of ten switches a year for emergency change-out applications (failures) and for individual feeder projects specifically identified in the five year Capital Improvement Plan (CIP). That number was calculated looking at the usage over the last five years.

Additionally, another ten switches has been added to the five year CIP for an annual live-front switch change out program. The live-front switch change out program is intended to address replacement of aging switches that have been identified as having a high probability of failure. These switches are old technology and have reached the end of their useful life. That brings the anticipated number of switches EWEB will purchase annually over the next five years to approximately twenty – twice the average annual usage over the past five years.

The Purchasing Department has done its due diligence and has selected General Pacific, Inc. as the low bid distributor for the Federal Pacific brand switchgear. This new contract will reflect the estimated annual purchase of twenty switches at an estimated total annual cost of \$222,747. It also assures that the switches will be available to EWEB when needed. However, it in no way obligates EWEB to purchase switches if the need does not materialize. It also allows for a maximum of 5% annual price increase. It is a one year contract with the option to renew on an annual basis, at

EWEB's discretion, for an additional four years. The total cost of the contract if all assumptions are realized would be \$1,225,292.

RECOMMENDATION/BOARD ACTION

Staff recommends that the Board approve the new contract with General Pacific, Inc. for the purchase of Federal Pacific 15KV pad-mount switchgear.

If you have questions, please contact Tony Toncray at tony.toncray@eweb.org or 685-7339.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new price agreement with **General Pacific, Inc.** for the purchase of Federal Pacific deadfront padmounted switchgear 15kV.

Backgrounder (if "yes," "See backgrounder information") Yes

Board Meeting Date: October 6, 2009

Project Name/Contract#: Deadfront Padmounted Switchgear 15kV

Project Contact: Tom Ossowski Ext. 7421

Purchasing Contact: Cindy McLaren Ext. 7163

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Contract Amount:

Original Contract Amount: \$1,225,292

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$1,225,292

Resulting Cumulative Total: \$1,225,292

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: October 7, 2009-October 8, 2010

Option to Renew? Yes, Renewable annually up to 5 years total.

Approval for purchases "as needed" for the life of the contract Yes

Form of Contract:

Single Purchase
 Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other

NARRATIVE:

The Board is being asked to approve a new price agreement with **General Pacific, Inc.** for the purchase of 15kV deadfront padmounted switchgear.

On July 30, 2009, an invitation for bids was issued in order to establish a five-year price agreement for the supply of deadfront padmounted switchgear. Three bids were received and evaluated; and General Pacific Inc. was determined to be the lowest responsive-responsible bidder. If approved, a price agreement will be executed with General Pacific Inc for one-year with the option, at EWEB's discretion, to renew for four additional one-year periods (total potential contract term: 5 years).

This contract is a price agreement; estimated usage is based on past purchases and projected work. Exact quantities needed during the life of the contract is unknown and no guarantee has been made to purchase any specific annual amount. Actual usage may be more or less than estimated. Staff estimates that EWEB will spend approximately \$222,747 for the first year, with a potential price increase of up to 5% each year thereafter, as allowed in the contract. However, purchases will be made "as needed" and is not based on a specific quantity or dollar amount.

ACTION REQUESTED:

Staff requests Board approve a new contract with **General Pacific Inc.** for the purchase of deadfront padmounted switchgear on an "as needed" basis. Funds for these purchases were budgeted for 2009 and will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

Supervisor: _____

Purchasing Manager: _____

Division Director: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____