



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD
ELECTRIC SERVICES DIVISION

Rely on us.

TO: Commissioners Farmer, Brown, Ernst, Cunningham, and Cassidy
FROM: Jerzy Zaczek
DATE: November 10, 2009
RE: University Substation Underground Transmission Line Construction Contract
and Power Transformer Procurement Contract

Staff is requesting Board approval for award of two contracts for design, construction and procurement services:

1. Eugene Sand Construction, Inc. for design and construction of a double-circuit 115kV Underground Transmission Line which will connect the new University Substation with EWEB's transmission system.
2. Waukesha Electric Systems, Inc. for delivery and installation of two power transformers for University Substation and delivery of two power transformers for EWEB's Bethel and Seneca Substations.

This memo provides background information relating to these contracts.

Background

At the June 2, 2009 Board meeting, staff requested approval to use alternative public procurement processes for the purchase of all goods and services related to the construction of a new University of Oregon substation and its associated 115kV underground transmission lines. Staff prepared findings that included the specific legal requirements related to the exemption process and staff's justification for making the request. The findings include a provision to purchase two transformers for EWEB's system. The Board, in its role as EWEB's Contract Review Board, approved these exemptions.

Discussion

University 115kV Underground Transmission Lines

In August–September 2009, Staff solicited competitive proposals (RFP) for the design and installation of 115kV underground transmission lines from EWEB's headquarters site to the site of the planned University Substation. The contract requires the successful proposer to engineer the project to EWEB's specifications, to supply all labor and materials, and to construct the underground duct bank and cable systems.

Eight proposals were received and evaluated by EWEB's Engineering and Operation staff. Proposal submitted by Eugene Sand Construction, Inc. with its design and construction team consisting of Power Engineers, New River Electrical Corp., and Armadillo Underground was determined to be the highest-ranked proposer based on qualifications, experience, proposed technical solution, financial responsibility, schedule, references, and price.

115/12.47kV, 20/26/33MVA Power Transformers

In August–September 2009, Staff also solicited competitive proposals (RFP) for the provision of four (4) power transformers: two for delivery and installation at the University Substation; one for delivery to EWEB's Bethel Substation; and one for delivery to EWEB's Seneca Substation.

Three (3) proposals were received and evaluated by EWEB's Engineering and Substation Reliability staff. Waukesha Electric Systems, Inc. was determined to be the highest-ranked proposer based on conformance with EWEB specifications, experience, price and delivery.

In accordance with the Intergovernmental Agreement between EWEB and the University of Oregon (U of O), the U of O is responsible for the purchase of the two transformers for use in the University Substation. The four transformers were combined into one solicitation for purposes of standardization and to ensure the best value for EWEB and the U of O. The two power transformers for Seneca and Bethel Substations are included in EWEB's 5-Year Capital Improvement Plan and budget.

Recommendation/Requested Action

Staff requests Board approval of the following contracts:

Eugene Sand Construction, Inc.: for design and construction of a double-circuit 115kV Underground Transmission Line, for the amount of \$3,703,211.

Waukesha Electric Systems, Inc.: for delivery of four power transformers and installation of two transformers, for the amount of \$2,629,650.

If you have questions regarding this contract please call me at 685-7154 or e-mail at george.zaczek@eweb.org.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **Waukesha Electric Systems, Inc.** for the purchase and installation of four Power Transformers.

Backgrounder (See backgrounder information) Yes

Board Meeting Date: November 17, 2009

Project Name/Contract#: Purchase & Installation of Power Transformers

Project Contact: George Zaczek Ext. 7421

Purchasing Contact: Cindy McLaren Ext. 7163

Contract Amount:

Original Contract Amount: \$ 2,629,650

Additional \$ Previously Approved: \$ 0

Invoices over last approval: \$ 0

Percentage over last approval: 0 %

Amount this Request: \$ 2,629,650

Resulting Cumulative Total: \$ 2,629,650

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other

Contracting Method:

Method of Solicitation: Alternative Public Procurement Process

Board Approved 6/2/09

If applicable, basis for exemption: N/A

Term of Agreement: November 18, 2009-July 31, 2011

Option to Renew? No

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

Form of Contract:

Good & Equipment Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other: *Includes installation services*

NARRATIVE:

The Board is being asked to approve a new contract with **Waukesha Electric Systems, Inc.** for the purchase and installation of power transformers at the University Substation, plus two units for EWEB's system.

In August-September 2009, staff requested formal proposals (RFP) from four pre-qualified manufacturers of power transformers. Three proposals were received and evaluated and Waukesha Electric Systems, Inc. was determined to be the highest-ranked proposer.

The contract is for the purchase of four power transformers: two to be delivered and installed at the University substation, one for EWEB's Bethel substation, and one for EWEB's Seneca substation (EWEB crews will install Bethel and Seneca substation transformers).

The purchase of the UO Transformers was in accordance with Board approval to use an alternative procurement process (request for proposals limited to known qualified suppliers). The RFP was issued for all four transformers to create volume and to ensure the lowest cost to the customer and to the utility. The power transformers for Bethel and Seneca substations are part of EWEB's 5-Year System Improvement Plan.

ACTION REQUESTED:

Staff requests Board approve a new contract with **Waukesha Electric Systems, Inc.** for the purchase and installation of Power Transformers. Funds for these purchases were budgeted for 2010-2011.

SIGNATURES:

Project Coordinator: _____

Supervisor: _____

Purchasing Manager: _____

Division Director: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____