

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new price agreement with **ERMCO, C/O HEES ENTERPRISES** for the periodic purchase of Single Phase Padmounted Transformers (as needed to replenish stock).

Backgrounder: No

Board Meeting Date: 3/16/2010

Project Name/Contract#: Single Phase Padmounted Transformers

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: \$ 885,240

Additional \$ Previously Approved: \$ n/a

Invoices over last approval: \$ n/a

Percentage over last approval: n/a %

Amount this Request: \$ 885,240

Resulting Cumulative Total: \$ 885,240

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other

Contracting Method:

Method of Solicitation: Formal Bid

If applicable, basis for exemption: n/a

Term of Agreement: March 3, 2010-March 2, 2011

Option to Renew? Yes, annually for up to 5 years

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 **ERMCO c/o Hees Enterprises** for the periodic purchase of Single Phase Padmounted Transformers (as needed to replenish stock).

In January 2010, EWEB issued a formal invitation to bid for the periodic purchase of Single Phase Padmounted Transformers as the utility needs transformers for new installation or replacement of damaged units. Seven bids were received and Ermco was determined to be the lowest responsive-responsible bidder. The price agreement established unit prices (with escalation/de-escalation clauses) that are used to replenish EWEB stock. Prices are reviewed annually and adjusted, if requested, to compensate for economic escalation (i.e cost of living, changes to metal indices).

Historical procurement data suggests that the total contract amount will be approximately \$885,240 over the total five-year period. The actual total dollar amount, however, is unknown and may be more or less than that estimated. Purchases will be based on need and not on any specific annual quantity. The annual cost will be within the amount budgeted for that specific year.

If approved, staff will purchase single-phase padmounted transformers from this supplier as needed over the life of the contract, potentially five years. This contract is for one-year with the option, at EWEB's discretion, to renew for four additional one-year periods.

ACTION REQUESTED:

Staff requests Board approval of a new price agreement with **Ermco c/o Hees Enterprises** for the periodic purchase of Single phase padmounted transformers (as needed to replenish stock). Funds for these purchases were budgeted for 2010 and will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

Supervisor: _____

Purchasing Manager: _____

Division Director: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____