

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Contract with **Michels Corporation** for the **construction of Holden Creek Substation Transformer Addition**.

Board Meeting Date: April 2, 2019

Project Name/Contract#: Holden Creek Substation Transformer Addition Construction / ITB 008-2019

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$215,000

Additional \$ Previously Approved: \$ n/a

Invoices over last approval: \$ n/a

Percentage over last approval: n/a %

Amount this Request: \$215,000

Resulting Cumulative Total: \$215,000

Contracting Method:

Method of Solicitation: ITB 008-2019

If applicable, basis for exemption: n/a

Term of Agreement: July 5, 2019

Option to Renew? No

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

Proposals/Bids Received (Range): \$195,700 to \$212,750

Selection Basis: Lowest Responsive and Responsible Bid

Narrative:

Operational Requirement and Alignment with Strategic Plan

The Holden Creek Substation was originally designed and commissioned in early 2018 with one 20MVA distribution power transformer, with provisions for installation of a second in the future. After commissioning, further distribution system reliability studies were completed to determine the effects of various failure modes and operating constraints for the station and upriver distribution customers. Based on the study results, it was determined a second power transformer would be needed at Holden Creek to meet EWEB reliability standards.

Contracted Goods or Services

Substation construction activities required to support the installation of the new transformer. Work includes foundations, conduit, ground mat connections, electrical bus, and control cable installation.

Purchasing Process

EWEB issued ITB 008-2019 in January 2019 and a mandatory pre-bid meeting was held in which six (6) prospective bidders and subcontractors attended. The ITB responses were opened in March and reviewed by staff. Bidders were required to demonstrate relevant experience in substation projects with medium-voltage air insulated switchgear (AIS), have a comprehensive electrical training program, membership in the National Electrical Contractors Association, and hold a local office in either Oregon or Washington State. Two (2) responses were received and evaluated by staff. Responses were received from Michels Corporation of Neenah, Wisconsin and Power Technology, Inc. of Woodland, Washington. Power Technology did not submit all required bid documents and was deemed Non-Responsive. Michels Corporation was determined to be the lowest responsible and responsive bid.

Prior Contract Experience with Michels Corporation

Michels Corporation was contracted in 2017 for the initial construction of Holden Creek Substation (ITB 056-2016).

The initial contract was for \$1,489,303.40 with a final cost of \$1,562,828.33 (+4.9%). The work performed by Michels under this contract was very good.

Michels Corporation additionally won the contract for the Leaburg Substation Reduction (ITB 030-2018). This contract is for \$551,288.00 but work has not yet started under this contract.

Competitive Fair Price (If less than 3 responses received)

Total contract amount: \$212,750

Michels Corporation fees are consistent with other construction companies for similar types of work.

ACTION REQUESTED:

Management requests the Board approve a Contract with **Michels Corporation** for the **construction of Holden Creek Substation Transformer Addition**. Approximately \$1.66 million was planned for the Holden Creek Transformer Addition project in the Electric Division 2019 budget of \$37 million. Variances will be managed within the budget process and Board policy.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Manager: _____

Board Approval Date: _____