

## **EWEB Board Consent Calendar Request**

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve a contract with **American Governor Company, Ivyland, PA** for construction services at the Carmen Power Plant.

Board Meeting Date: 2/4/2020

Project Name/Contract #: 19-272-GS-Revised; Carmen Digital Governor Conversions

Primary Contact: Rod Price Ext. 7122

### **Contract Amount:**

Original Contract Amount: \$662,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$662,000

**Resulting Cumulative Total: \$662,000**

### **Contracting Method:**

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: **One Time Purchase (Construction and Installation Services)**

Option to Renew? No

Approval for purchases "as needed" for the life of the Contract Yes  No

Proposals/Bids Received (Range): **\$635,000 base bid (single bid received), \$662,000 including added options)**

Selection Basis: Lowest Responsible and Responsive Bidder

### **Narrative:**

#### Operational Requirement and Alignment with Strategic Plan

The turbine-generator units at Carmen Powerhouse rely on mechanical governors for unit control and protection that have been in service since 1963. Operation and maintenance of these mechanical systems become increasingly difficult every year as this equipment is obsolete and expertise within EWEB and external service contractors is limited. It is common practice in the hydroelectric generation industry to replace these mechanical systems with digital control. Digital control reduces annual maintenance, eases commissioning, and simplifies future troubleshooting. The updated equipment is expected to be operational at the Carmen Powerhouse for the next 40 years under the new FERC operating license.

#### Contracted Goods or Services

This project includes the design, sourcing, manufacture, installation, and commissioning of equipment to convert two mechanical governors to digital control and refurbish retained components.

#### Project scope:

- Provide all labor, material and equipment to retrofit the existing Woodward mechanical governors to modern state-of-the-art digital standards.
- Specify, design, furnish and deliver all required instrumentation and mounting hardware necessary for the complete and functional installation of the proposed governor system.
- Design of the interface between the existing plant and the new governor system.
- Demolition, removal from site, and disposal of the existing governor equipment.
- Installation and commissioning of the new governor system.
- Rebuild of all pumps and inspection/cleaning of all retained components.

- In addition to the base bid scope above (priced at \$635,000), selected optional bid items will be the following from the American Governor Bid Form:
  - Supply and install air automated admission valve- \$5,884.84
  - Auxiliary Valve Retention- \$6,675.22
  - Redline EWEB Drawings- \$14,111.64

Prior Contract Activities

American Governor has previously provided the following work for EWEB in the past:

Training in 2017 (\$19,280)

Various parts for the governor at Carmen-Smith (\$6,600)

Governor Pump Rebuilds in 2012 and 2013 (Combined pricing \$50,000)

No performance concerns were noted for the purchase of these goods and services.

Purchasing Process

Staff issued a formal Invitation to Bid on the State of Oregon’s bid site in November 2019. EWEB sent notification of the bid directly to 5 companies who had expertise in governor conversion systems. The bid was also advertised in the Portland Daily Journal of Commerce. Six (6) companies attended the mandatory pre-bid meeting, including several companies very experienced in governor conversions who could have bid as the primary contractor. The bid was extended 2 weeks longer than the average time per a request from a prospective bidder and there were a good deal of questions from contractors that were responded to via the addenda process.

One bid was received from American Governor Company and was found to be Responsive and Responsible. Knight Construction, who attended the pre-bid meeting, will be a sub-contractor. If approved, American Governor Company will provide construction services, as specified in the solicitation documents.

Bidder/Proposer Information

American Governor Company

Bidder/Proposer Location

Ivyland, PA

Competitive Fair Price (If less than 3 responses received) The base bid by American Governor is approximately \$634,700 and was the only bid received. An engineer’s estimate was provided by EWEB engineering consultant that wrote the technical specifications, IAH Hydro. Their estimate for the base scope of work was \$615,000 which is within 4% of the bid. The 4 other companies that attended the pre-bid meetings had various reasons for not bidding.

**ACTION REQUESTED:**

Management requests the Board approve a contract with American Governor Company, Ivyland, PA for construction services at the Carmen Power Plant. Funds for the purchase were budgeted for 2020. The total Carmen-Smith Relicensing Type 3 budget for 2020 is \$19.4 million, included in the total Electric Division budget of \$48.4 million.