

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the General Manager to approve a contract with **Portland General Electric (PGE) for Transmission Equipment Services at the Stone Creek Project** after completion of contract negotiations.

Board Meeting Date: 5/5/2020

Project Name/Contract #: Operation and Maintenance Agreement for Stone Creek Transmission Equipment

Primary Contact: Rod Price, Ext. 7122

Contract Amount:

Contract Estimate: \$50,000 per year for ten years (\$500,000)

Contracting Method:

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: N/A

Term of Agreement: **10 years**

Option to Renew? no

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

Operational Requirement and Contracted Goods or Service

EWEB requires a general services contract for Operations and Maintenance (O&M) of EWEB-owned substation and transmission equipment at the Stone Creek Project. The contract provides for on call and as needed O&M for transmission line and substation equipment owned by EWEB that is used to transmit power generated at Stone Creek to the PGE system. EWEB owns the Stone Creek Hydroelectric Project and associated substation and transmission equipment that allows the power generated at the plant to be transmitted to PGE's system at their Oak Grove Substation. This contract will provide for PGE O&M of EWEB-owned facilities and equipment between Harriet Lake Substation (EWEB owned) and Oak Grove Substation (PGE owned). Operation of the Stone Creek plant and transmission infrastructure between the plant and the Harriet Lake substation will be addressed under a separate agreement with Energy Northwest.

Prior Contract Activities

PGE has operated the Stone Creek hydroelectric Project for EWEB under previous agreements since 1994. The expiring agreement ends on May 31, 2020 and covers O&M of the entire Stone Creek hydroelectric project. PGE has indicated to EWEB that due to a change in corporate business strategy, PGE will no longer provide O&M services for the Stone Creek power plant.

Purchasing Process

Staff have negotiated and agreed on the terms of the agreement that will provide the basis for a service contract to be finalized with PGE. Due to the complexity of the agreement and the limited time available before the current agreement expires, staff are requesting authorization for the General Manager to enter into the agreement when finalized. The agreement must be signed and in force before June 1, 2020 to prevent a service disruption at the Stone Creek Project.

ACTION REQUESTED:

Management requests that the Board authorize the General Manager to approve a ten-year services contract with Portland General Electric (PGE) for the operation and maintenance of the Stone Creek Hydroelectric Project 115 kV transmission line and associated stations equipment. The terms of the agreement have been negotiated and agreed upon by EWEB and PGE. Approximately \$350,000 was budgeted for operation and maintenance of the Stone Creek Project in the Generation Department 2020 O&M budget of \$10.2 million. Variances will be managed within the budget process and Board policy.