

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new price agreement with **ERMCO** for **the purchase Padmounted Transformers.**

Board Meeting Date: May 4, 2021

Project Name/Contract #: Padmount Transformers, Contract No. 21-010-G

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$3,410,000 over 5 years

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: % N/A

Amount this Request: \$3,410,000 over 5 years

Resulting Cumulative Total: \$3,410,000 over 5 years

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: **Initial Term is 1 year**

Option to Renew? Annually up to 5 years

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

Proposals/Bids Received (Range): 6 responses (\$519,389.00 – 850,644.00 based on annual spend)

Selection Basis: Lowest Responsive and Responsible Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

This price agreement is for the ongoing purchase of padmounted transformers for use in our electric distribution system. Lot 1 contains three-phase padmounted transformers, and Lot 2 contains single-phase padmounted transformers. Replacement of these transformers allows EWEB to continue to meet the need of new connections and installation which requires new transformers, and also allows continued programmatic replacement of transformers based on age and condition throughout the system.

Contracted Goods or Services

The transformers to be purchased under this price agreement include an estimated 35 padmounted transformers (21 three-phase and 14 single-phase) to be stocked and stored in our Transformer shop for as-needed use in our electric distribution system.

Historical procurement data suggests that the total price agreement amount will be approximately \$3,410,000 (based on the unit prices) over the total five-year period. The actual total dollar amount, however, is unknown and may be more or less than that estimated volume. Purchases will be based on need and not on any required annual quantity. The annual cost will be within the amount budgeted for that specific year. A portion of the funding for these transformers is reimbursable through customer work.

Prior Contract Activities

EWEB has previously purchased padmounted transformer from ERMCO under 5-year Price Agreements executed in 2011 and 2016. ERMCO has been a successful Contractor, meeting EWEB’s product quality and service requirements.

Purchasing Process

In March of 2021, EWEB issued a Formal Invitation to Bid (ITB) for Padmounted Transformers with the option to bid on two lots. The solicitation was advertised on the State of Oregon’s procurement site (ORPIN). No protests were received and ERMCO was deemed the lowest responsive and responsible bidder for both Lots.

LOT 1			
Vendor Name	City, State	Offered Price (Based on Annual Quantities)	Notes
ERMCO	Dyersburg, TN	\$534,643.00, with 3% credit \$518,603.71	Solicitation allowed for a 3% credit to offered price for cabinet designs that include additional access
WEG	Washington, MO	\$519,389.00	No bid on Lot Item #16
Hyundai	Torrance, CA	\$591,890.00	
WESCO	Portland, OR	\$625,235.00	
General Pacific – Option 1	Fairview, OR	\$251,682.00	Bid on Lot Items 13-19 only (7 out of 21 items)
General Pacific – Option 2	Fairview, OR	\$684,715.00	

LOT 2		
Vendor Name	City, State	Offered Price
ERMCO	Dyersburg, TN	\$145,659.00
WESCO	Portland, OR	\$218,035.00
General Pacific	Fairview, OR	\$165,929.00

Competitive Fair Price (If less than 3 responses received)

N/A

ACTION REQUESTED:

Management requests the Board approve an a new price agreement with ERMCO for the purchase of Padmounted Transformers. Approximately \$680,000 was budgeted in the 2021 Electric Capital Budget of \$51.3 Million. Variances will be managed within the budget process and Board policy.