

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new price agreement with **Eaton's Cooper Power Systems LLC (Eaton)** for the purchase of Network Protectors.

Board Meeting Date: July 6, 2021
Project Name/Contract #: Network Protectors, Contract No. 21-054-G
Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$550,000 over 5 years
Additional \$ Previously Approved: \$ N/A
Invoices over last approval: \$ N/A
Percentage over last approval: % N/A
Amount this Request: \$550,000 over 5 years
Resulting Cumulative Total: \$550,000 over 5 years

Contracting Method:

Method of Solicitation: Direct Negotiation
If applicable, basis for exemption: EWEB Rule 3-0275 Sole Source Procurements
Term of Agreement: **Initial Term is 2 years**
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): N/A
Selection Basis: Sole Source Supplier
Narrative:

Operational Requirement and Alignment with Strategic Plan

This price agreement is for the ongoing purchase of network protectors for use in EWEB's downtown secondary grid network. Network protectors open to prevent backfeeding the primary feeder conductors during a primary feeder conductor fault or when the feeder breaker is opened. For crew safety, in 2014 EWEB revised its specification for network protectors to be dead-front. Dead-front equipment is much safer to work and maintain than live front equipment since there are no exposed energized components immediately inside the enclosure door that may be accidentally contacted during maintenance or operation. Network protector replacements are part of the ongoing 10-year downtown Type 2 Capital program that has been previously approved.

Contracted Goods or Services

The network protectors to be purchased under this price agreement include four different network protectors of different voltage and amperage ratings for use in our downtown secondary grid network.

Historical procurement data suggests that the total price agreement amount will be approximately \$550,000 (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.

Prior Contract Activities

EWEB has previously purchased network protectors from Eaton under a 5-year Price Agreement executed in 2016. Eaton has been a successful Contractor, meeting EWEB's product quality and service requirements.

Purchasing Process

There are two manufacturers of network protectors and only one, Eaton, manufactures a dead front network protector in all of the sizes EWEB uses. Staff has deemed Eaton to be a sole source provider and has directly negotiated a price agreement for the goods. EWEB has standardized on Eaton network protectors to minimize the required spare parts, limit warehouse storage and inventory requirements, crew training costs, and the performance and maintenance time of EWEB's underground network system. A primary reason EWEB selected and standardized on the equipment is because of the added safety of dead front equipment that Eaton offers and the alternative manufacture does not.

Competitive Fair Price (If less than 3 responses received)

Staff reached out to the other lead manufacturer for average pricing of their Network Protectors and they confirmed that they could not fully meet our specifications and therefore pricing would be incomparable. Pricing for Eaton Network Protectors ranges from \$27,491-\$41,538. The alternative provider offers pricing that ranges from \$25,000-\$50,000. The Eaton Network Protectors are offered at a fair market price.

ACTION REQUESTED:

Management requests the Board approve a new price agreement with Eaton for the purchase of Network Protectors. Approximately \$138,000 was budgeted in the 2021 Electric Capital Budget of \$51.3 Million. Variances will be managed within the budget process and Board policy.