

EWEB Board Consent Calendar Request

For Cooperative Contracts

The Board is being asked to authorize the use of a cooperative contract for the **Purchase of a Horizontal Directional Drilling Machine with RDO Equipment (Vermeer dealer).**

Board Meeting Date: June 7, 2022
Project Name/Contract #: Horizontal Directional Drilling Machine / 110421-VRM
Primary Contact: Karen Kelley Ext. 7153
Expected Spend: \$190,000 (one time purchase)

Narrative:

The Board is being asked to authorize the use of the Sourcewell Cooperative Contract 110421-VRM with Vermeer for the purchase of a horizontal directional drilling machine through an authorized Vermeer dealer, RDO Equipment. Like other cooperative programs, this Sourcewell contract leverages the purchasing power of public entities across the country to deliver competitive pricing and sourced contracts to public entities like EWEB. This Sourcewell contract offers discounts up to 14%.

Operational Requirement and Alignment with Strategic Plan

EWEB requires the use of horizontal directional drilling (HDD) in underground construction, where a drill bit penetrates the ground in preparation for installing utility lines. This type of equipment allows the Utility to do the underground work without excavating and using heavy machinery such as an excavator. This HDD is also equipped with tracking technology controls which are more sensitive while drilling through various soils and around utility lines. This new HDD will be replacing a 17-year-old HDD which parts have become obsolete, resulting in long down-time and project delays.

Sourcewell is a local government unit from the state of Minnesota that assists public agencies to contract more efficiently than as an individual entity. They establish competitively awarded cooperative purchasing contracts on behalf of itself and its participating agencies, including EWEB. Sourcewell follows the competitive contracting law process to solicit, evaluate, and award contracts for goods and services which facilitates the public procurement process and leverages governmental agencies purchasing power.

ACTION REQUESTED:

Management requests the Board authorize the use of a cooperative contract for the Purchase of a Horizontal Directional Drilling Machine with RDO Equipment (Vermeer dealer). Approximately \$988,000 was planned for these goods in the Electric Division Type 1 2022 Capital budget of \$15 million. Variances will be managed within the budget process and Board policy.