

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **Magnum Power, LLC** for **Construction Services at EWEB's Oak Grove Facility in Clackamas County**.

Board Meeting Date: June 7, 2022
Project Name/Contract #: Oak Grove Lake Harriet Pole Replacement / 22-069-PW
Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$747,000
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Amount this Request: \$747,000
Percentage over last approval: NA
Resulting Cumulative Total: **\$747,000**

Contracting Method:

Method of Solicitation: Formal Invitation to Bid
If applicable, basis for exemption: NA
Term of Agreement: Initial term is 6 months
Option to Renew? No
Approval for purchases "as needed"
for the life of the Contract: Yes No
Proposals/Bids Received (Range): 2 (\$747k to \$984k)
Selection Basis: Lowest Responsive and Responsible Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB ownership of the Stone Creek Hydroelectric Project includes a high voltage transmission line that delivers the Project's power output from EWEB's Harriet Lake Substation to Portland General Electric's Oak Grove Substation. The Riverside Fire that started on Labor Day 2020 damaged portions of EWEB's transmission line. While the most severely damaged poles were repaired during the initial fire recovery response efforts, an additional 33 poles sustained enough damage to require near-term replacement. These additional pole replacements are necessary to ensure safe and reliable operation of the transmission line running through the Mount Hood National Forest.

Contracted Goods or Services

This project must be performed by a qualified IBEW member contractor. The scope of work includes the supply and installation of new transmission line poles, cross arms, insulators, and associated hardware. Following installation of the new poles, the contractor will transfer the existing transmission line conductors to the new structures and properly dispose of the damaged wood pole structures.

Purchasing Process

In April 2022, staff issued a formal Invitation to Bid (ITB) for transmission line poles, cross arms, insulators, and associated hardware. The solicitation was advertised on the State of Oregon’s public procurement site, OregonBuys. Two bids were received and one failed to arrive due to a UPS failure to deliver. Magnum Power’s bid was the lowest and deemed responsive and responsible.

Bid Received

Vendor Name	City, State	Offered Price	Ranking (for RFPs)
Magnum Power, LLC	Ridgefield, WA	\$747,000	NA
Wilson Construction Co.	Canby, OR	\$984,000	NA

Competitive Fair Price

Three firms submitted bids and at least three additional firms declined to bid. The three firms that decided not to bid indicated that the requirements for this project were more complicated relative to other available work. Several bidders also voiced concerns with sourcing materials for the project. This feedback suggests that the bid climate and material supply conditions are not favorable to owners at this time. Unfortunately, the risk associated with the compromised condition of these transmission poles does not allow EWEB to wait for more favorable timing.

Prior Contract Activities

None – Contractor is new to EWEB. EWEB staff performed reference checks and confirmed that Magnum Power has successfully completed similar work for other public utilities in the Pacific Northwest.

ACTION REQUESTED:

Management requests that the Board approve a contract with Magnum Power, LLC for this transmission pole replacement project. Approximately \$600,000 was planned for this work in the Generation Department’s 2022 Capital budget of \$33.3 million. Although the low bid for this work was significantly higher than anticipated, there are opportunities to offset the escalated pricing for this project within the available 2022 capital budget due to delays incurred on other projects. These variances will be managed within the budget process and Board policy.