

## EWEB Board Consent Calendar Request

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve a new contract with **General Pacific Inc.** for **Single Phase Polemounted transformers.**

Board Meeting Date:	December 6, 2022	
Project Name/Contract #:	Single Phase Polemounted Transformers / 22-210-G	
Manager:	Tyler Nice	Ext. 7419
Executive Officer:	Karen Kelley	Ext. 7153

### Contract Amount:

Original Contract Amount:	\$2,000,000
Additional \$ Previously Approved:	\$0
Spend over last approval:	\$0
Amount this Request:	\$2,000,000
% Increase over last approval:	NA
Resulting Cumulative Total:	<b>\$2,000,000</b>

### 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 one (1) year
Option to Renew?	Yes, annually up to five (5) years total
Approval for purchases "as needed":	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Proposals/Bids Received (Range):	NA
Selection Basis:	Sole Source Supplier

Narrative:

#### Operational Requirement and Alignment with Strategic Plan

This proposed Contract is for the purchase of a select number of single phase polemounted transformers for use in our electric distribution system. EWEB has placed several orders under recently approved contracts to mitigate the significant shortage of these items due to long lead times and rising costs. If approved, this contract will serve to secure production slots of 100 transformers annually.

#### Contracted Goods or Services

The transformers to be purchased under this contract include varying quantities of 28 different classes of single phase polemounted transformers to be stocked and stored in EWEB's Transformer Shop for as-needed use in our electric distribution system. EWEB will be allotted 20 production slots five times a year: January, March, May, July, and November.

#### Purchasing Process

In a continued effort to source these transformers, Purchasing posted a formal Invitation to Bid (ITB) on OregonBuys that resulted in one bid from General Pacific. General Pacific bid Howard Industries single phase

polemounted transformers with unit prices up to 8-10 times the current ERMCO costs and some with a 50-75+ week lead time. Due to the scarcity of this equipment, EWEB's normal contracting paths did not bid and are not accepting orders. This bid does not meet our needs.

To meet our needs more closely, General Pacific submitted an alternate proposal, separate from the bid, that would provide EWEB to have 100 product slots annually, for up to five years, for ERMCO's single phase polemounted transformers. Securing these transformers will help reduce delays to customer work associated with electric distribution service upgrades and new services requiring new transformers, respond to future outages due to failures or storms, and will allow EWEB to continue with planned reliability and strategic capital work. Order cancellation terms allow for canceling this order up to cutting. Should EWEB be able to secure a more competitive contract or not need these units, staff will cancel this order to ensure idle stock of this cost is not kept on hand.

#### Bids Received

NA

#### Competitive Fair Price

NA – Sole source agreement

#### Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved Date	Project Duration (Start to Close)	Original Amount	Final Amount	Reason Code
21-055-G	Deadfront Padmount Switchgears	5/4/2021	5 years	\$695,000	TBD	
21-262-G	Single Phase Padmounted Transformers	3/1/2022	One-time purchase	\$1,534,000	TBD	
22-143-G	Single Phase Padmounted Transformers	8/2/2022	1 year	\$250,000	TBD	
Reason Code: AM = Additional Materials, AW = Additional Work, EW= Emergency Work, SD = Staff Directed, UC = Unforeseen Conditions, Other						

#### **ACTION REQUESTED:**

Management requests the Board approve a new contract with General Pacific, Inc. for single phase polemounted transformers. Severe price increases were accounted for in the 2023 capital budget of \$3.15 million budgeted for distribution transformers of the \$76.3 million Electric Division Budget. Variances will be managed within the budget process and Board policy.