

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 **Padmounted Transformers.**

Board Meeting Date: February 7, 2023
Project Name/Contract #: Padmounted Transformers / 23-003-G
Manager: Tyler Nice Ext. 7419
Executive Officer: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$3,000,000
Additional \$ Previously Approved: \$0
Spend over last approval: \$0
Amount this Request: \$3,000,000
% Increase over last approval: NA
Resulting Cumulative Total: **\$3,000,000 (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: Until final acceptance/payment of all orders under Contract
Option to Renew? Not to exceed five (5) years total
Approval for purchases "as needed": Yes No
Proposals/Bids Received (Range): NA
Selection Basis: Sole Source Supplier

Narrative:

Operational Requirement and Alignment with Strategic Plan

This Contract is for the purchase of a select number of single phase and three phase padmounted 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. This contract will serve to secure production slots of 90 transformers annually.

Contracted Goods or Services

The transformers to be purchased under this contract include varying quantities of 21 different classes of single phase and 14 different classes of three phase padmounted transformers to be stocked and stored in our Transformer shop for as-needed use in our electric distribution system. It is estimated that EWEB will be allotted 75 production slots of single phase padmounted transformers and 15 production slots of three phase padmounted transformers annually.

The overall contract cost estimate is based on historical usage and may change yearly depending on customer development demand and planned reliability and renewal projects. The Annual cost will be within the amount budgeted for that specific year.

Purchasing Process

In a continued effort to source these transformers, Purchasing posted a Request for Proposal (RFP) on the State of Oregon bid site, OregonBuys, that resulted in two proposals but both were deemed non-responsive under the RFP due to incomplete proposals. Staff then further evaluated the offers to determine if the transformers and delivery proposals could still meet the needs of EWEB and its customers.

It was determined that the proposal submitted by General Pacific would ensure a steady supply of transformers with guaranteed delivery dates. Additionally, these units meet EWEB’s construction and quality standards. This will allow EWEB to continue to meet the need of new connections and installation and maintain critical inventory for outages and emergencies through 2024 and beyond. Both General Pacific, and ERMCO have a positive reputation and long standing in the industry, focused mainly on cooperative and publicly owned utility contracts. Additionally, ERMCO, through direct sales, and sold through General Pacific, has maintained reasonable pricing during a period where other suppliers have increased costs upwards of 100%.

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
21-262-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	
22-210-G	Single Phase Polemounted Transformers	12/6/2022	5 years	\$2,000,000	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 contract with General Pacific, Inc. for single phase and three phase padmounted 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.