

Eugene Water & Electric Board Consent Calendar Request

Date: March 9, 2005

Staff Contact: Jay L'Estrange Ext. 3415

For Contract Awards, Renewals and Increases:

Project or Job Number: 010914

Project or Job Name: Stone Creek

Vendor's name: Portland General Electric (PGE)

Original Contract Amount: \$450,000

Additional \$ Previously Approved: \$450,000

Amount this Request: **\$324,057**

Cumulative Amount: \$774,057

Including this request

Method of Solicitation: Negotiation
(Formal bid, informal quote, RFP, exemption, other)

Means of Advertisement: _____
(Applies to Solicitation)

Results of Solicitation: _____

If applicable, basis for exemption: _____

Term of Agreement: January 2000 – February 28, 2005

Option to Renew? No

Staff is making the Board aware of additional contract expenditures (of approx. \$324,057, which includes approx. \$20,000 in outstanding invoices) that did not have Board approval (see attached background).

Since the purchase of the Stone Creek Hydro-plant project in 1994, EWEB has had a contract with Portland General Electric (PGE) for the operation and maintenance of that facility. PGE owns and operates three hydroelectric projects near Stone Creek, so it has been and remains to be mutually beneficial to the parties to have PGE operate and maintain EWEB's facilities. PGE is paid on a time and materials basis.

The PGE contract expired in December of 2003. Since that time, staff has been renegotiating a new contract with PGE. Staff anticipated that the new contract would be established quickly, so the Project Manager extended the contract on a month-to-month basis. Negotiations were slowed while the respective legal counsel objected to various contractual language and discussed acceptable alternative language. In the meantime, operations continued on a month-to-month basis and no request for extension was submitted to the Board for approval.

Staff is submitting this consent item to make the Board aware of this oversight and to ask for Board approval to pay the remaining outstanding invoices. The total spent from January 1, 2004, to date (including the remaining outstanding invoices) is approximately \$324,057. Total cost for this contract from January 2000 through February 28, 2005 is \$774,057. Funds are budgeted annually for the operation and maintenance of the Stone Creek facility.

Action:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Agreement Covers:

Goods
 Services
 Personal Services
 Public Works

Form of Agreement:

Price Agreement
 BSA
 Construction Contract
 IGA
 Other O&M Contract

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other

Project Coordinator or Supervisor Signature: _____

Risk Manager Signature: _____

Division Director Signature: _____

General Manager Signature: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____