AGENDA
GRANT COUNTY PUBLIC UTILITY DISTRICT
Via Conference Call
+1 509-703-5291 Conference ID: 678 050 6#
COMMISSION MEETING
Tuesday, October 27, 2020

An Executive Session may be called at any time for purposes authorized by the Open Public Meetings Act

9:00 a.m.  Commission Convenes
Review and Sign Vouchers

10:00 a.m.  Reports from Staff

12:00 Noon  Lunch

1:00 p.m.  Safety Briefing
Pledge of Allegiance
Attendance
Public requests to discuss agenda items/non-agenda items
Correspondence
Business Meeting

1.  Consent Agenda

   Approval of Vouchers

   Meeting minutes of October 13, 2020

2.  Regular Agenda

   8952 – Resolution Accepting a Bid and Awarding Contract 430-09972R1, for Plant Power Distribution Modernization.

   8953 – Resolution Establishing Rate Schedule No. 30, Wholesale Transmission Delivery for Large Load Customers, and Rate Schedule No. 31, Wholesale Transmission Delivery for Small Load Customers.

   Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10632 with CDW Government, Inc. for a three-year renewal of Grant PUD’s Microsoft Enterprise Agreement in an amount not-to-exceed $1,372,037.52 to be paid in three annual installments in the amounts of $457,345.84 from August 21, 2020 through August 31, 2023. (3343)
Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to bind 2020-2021 property and liability policy renewals through Grant PUD’s insurance broker Beecher Carlson with estimated premiums totaling $2,405,751.00. (3344)

3. **Review Items For Next Business Meeting**

XXXX – A Resolution Accepting a Bid and Awarding Contract 170-10303, for Supplying 15kV Power Circuit Breakers.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 6 to Contract 130-09537 with Oracle America, Inc., increasing the not-to-exceed contract amount by $448,240.00 for a new contract total of $6,952,452.83 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 6. (xxxx)

4. **Calendar**

5. **Reports from Staff (if applicable)**

Adjournment
CONSENT AGENDA
The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 678 050 #6 with the following Commissioners present: Tom Flint, President; Larry Schaapman, Vice-President; Judy Wilson, Secretary; Dale Walker, Commissioner; and Nelson Cox, Commissioner.

The Commission convened to review vouchers and correspondence.

The Commission recessed at 9:00 a.m.

The Commission resumed at 9:14 a.m.

A round table discussion was held regarding the following topics: Priest Rapids sequestration status update; recent system outages; reported attendance at Grant County Industrial Alliance meeting; upcoming presentation from Public Affairs team highlighting Grant’s Salmon in the Classroom Program; United Way campaign; Acting GM notice for October 14; recurring 1:1 meetings between the Commission and appointed auditor and treasurer; request from Commissioner Wilson for break down of costs associated with the Oracle and Arch contracts; and additional discussion related to the Priest Rapids sequestration plan and policy.

Derin Bluhm, Chief Technology Officer, reviewed the Microsoft EA Agreement.

Paul Dietz, Manager of Enterprise Risk Management, presented the Enterprise Risk Program Report.

Shannon Lowry, Manager of Lands and Recreation, presented the Lands and Recreation Program Report.

The Commission recessed at 11:57 a.m.

The Commission resumed at 1:00 p.m.

Rob Skordas, USBR Deputy Regional Director, renewed his request that Grant PUD establish a separate wheeling rate for Reclamation reserved power loads. He also requested another opportunity to discuss the wheeling rate prior to final action. In addition, Mr. Skordas expressed appreciation to the Commission for extension of the existing MOA.
Roger Sonnichsen, Quincy Columbia Basin Irrigation District, concurred with Mr. Skordas’s comments and requested an opportunity for attorneys to meet regarding FERC jurisdiction. The Irrigation Districts will pursue FERC clarification. Grant will clarify expectation and provide it writing to the both the Irrigation Districts and the Bureau of Reclamation.

Neal Gschwend, attorney for Bonneville Power Administration, spoke in opposition to proposed Rate Schedule No. 30, specifically noting concern with the 7% ROE component included within the rate structure.

Pat Kelleher, Ellensburg, Washington, expressed appreciation to the Board for recent recreational improvements within the Priest Rapids Project boundary. In addition, he noted concerns with cleanliness and maintenance of the Vantage boat launch restroom observed over a recent weekend.

Bryan Stockdale, Vantage, Washington, commented on his progress of removing Riverstone Marina personal property from Grant PUD property. He expressed a desire for continued recreational opportunities at the Vantage site.

Consent agenda motion was made Mr. Walker and seconded by Mr. Cox to approve the following consent agenda items:

<table>
<thead>
<tr>
<th>Payment Number</th>
<th>105431 through 105857</th>
<th>$8,860,658.73</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Direct Deposit</td>
<td>165586 through 167015</td>
<td>$3,940,613.73</td>
</tr>
<tr>
<td>Payroll Tax and Garnishments</td>
<td>20200924A through 20201008B</td>
<td>$1,635,351.67</td>
</tr>
</tbody>
</table>

Meeting minutes of September 22, 2020.

After consideration, the above consent agenda items were approved by unanimous vote of the Commission and signatures were affirmed.

Motion was made by Mr. Schaapman and seconded by Mr. Cox authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10331 with Bernardo-Wills Architects PC (BWA) for Architectural and Engineering (A/E) Services in an amount not-to-exceed $2,500,000.00 and with a contract completion date of December 31, 2025. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Cox and seconded by Mrs. Wilson approving an intergovernmental transfer of surplus equipment to Fire District No. 12. After consideration, it was requested that the motion be tabled until such time surplus transfer logistics could be adequately reviewed by legal counsel.

Motion was made by Mrs. Wilson and seconded by Mr. Cox to table motion approving an intergovernmental transfer of surplus equipment. After consideration, the motion to table was approved by unanimous vote of the Commission.
The Commissioners reviewed future agenda items.

Commission President Flint opened the public input period for the 2021 proposed budget.

The Commission held a public Budget Hearing to discuss the 2021 proposed budget. No public comments were received.

The Commission calendar was reviewed.

Due to time constraints, the Power Production Performance Report and the NERC/WECC R&C Program Report were not presented. Written materials included in the 2020-10-13 Presentation Packet will service as the quarterly report.

A discussion was held regarding one-on-one meetings between the Commission and both the appointed Auditor and Treasurer. It was determined that meetings would resume and be scheduled on a quarterly basis.

The Commission recessed at 3:44 p.m.

The Commission resumed at 4:00 p.m.

An executive session was announced at 4:00 p.m. to last until 5:00 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 5:00 p.m. and the regular session resumed.

The executive session was extended from 5:00 p.m. to last until 5:10 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 5:10 p.m. and the regular session resumed.

The Commission recessed at 5:10 p.m.

The Commission resumed at 6:00 p.m.

The Commission held a public Budget Hearing to discuss the 2021 proposed budget. No public comments were received.

There being no further business to discuss, the Commission adjourned at 7:20 p.m. on October 13 and reconvened on Thursday, October 15 at 6:00 p.m. via Microsoft Teams for the purpose of holding a public budget hearing and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Larry Schaanman, Judy Wilson, Dale Walker and Nelson Cox. A copy of the notice of adjournment was posted to the Grant PUD website.

The Commission held a public Budget Hearing to discuss the 2021 proposed budget. No public comments were received.

There being no further business to discuss, the October 13, 2020 meeting officially adjourned at 7:40 p.m. on October 15, 2020.
<table>
<thead>
<tr>
<th>ATTEST:</th>
</tr>
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<tr>
<td>Judy Wilson, Secretary</td>
</tr>
<tr>
<td>Larry Schaapman, Vice President</td>
</tr>
<tr>
<td>Dale Walker, Commissioner</td>
</tr>
<tr>
<td>Nelson Cox, Commissioner</td>
</tr>
</tbody>
</table>
REGULAR AGENDA
RESOLUTION NO. 8952
A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 430-09972R1, FOR PLANT POWER DISTRIBUTION MODERNIZATION

Recitals

1. Bids were publicly opened on August 27, 2020 for Contract 430-09972R1, for Plant Power Distribution Modernization;

2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD’s staff;
   - Burke Electric LLC $10,963,031.00
   - Olsson Industrial Electric, Inc. $11,423,212.00
   - Potelco, Inc. $16,303,098.00

3. The bid submitted by Burke Electric LLC is technically non-compliant;

4. The second low bid, submitted by Olsson Industrial Electric is both commercially and technically compliant with Grant PUD’s contract requirements;

5. The bid is less than the Engineer’s Estimate of $11,750,000.00; and

6. Grant PUD’s Senior Manager of Power Production and Managing Director of Power Production concur with staff and recommend award to Olsson Industrial Electric, Inc. as the lowest responsible and best bid based on Grant PUD’s plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 430-09972R1, for Plant Power Distribution Modernization with Olsson Industrial Electric, Inc. of Springfield, Oregon in the amount of $11,423,212.00 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD’s Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 27th day of October, 2020.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner
TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Richard Wallen, Chief Operations Officer
Ty Ehrman, P.E., Managing Director of Power Production
Dale Campbell, P.E., Senior Manager of Power Production Engineering
Ian Jones, Manager of Power Production Electrical Engineering

FROM: Brady Brown, Power Production Electrical Engineer/Project Manager

SUBJECT: Award of Contract 430-09972R1

Purpose: To request Commission approval to award Contract 430-09972R1 Plant Power Distribution Modernization to Olsson Industrial Electric in the amount of $11,423,212.

Discussion: The Power Plant Distribution Modernization is a replacement of station service and substation switchgear and protective relays at both Wanapum and Priest Rapids Dams. The project includes all materials and labor necessary for replacement of all the 13.8KV switchgear and relays. The project includes replacement of all 600V switchgear and relays at Priest Rapids and Wanapum.

Work is planned to begin July 2021 at Wanapum Dam and continue there to March 2022 then move to Priest Rapids Dam in July 2022 and end about April 2023.

This project is necessary to address equipment end-of-life risks and increasing failure rates of the station service switchgear at the Priest Rapids and Wanapum Dams. After all of the bids for the previous bid were rejected for technical non-compliance, contract 430-09972R was released for bids on March 4, 2020, and bids were opened on May 4, 2020. All of these bids were rejected due to a protest. Contract 430-09972R1 was released for bids on June 25, 2020, and bids were opened on August 27, 2020.

The Engineer’s estimate and bids received are summarized below:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer’s Estimate</td>
<td>$11,750,000</td>
</tr>
<tr>
<td>Burke Electric LLC</td>
<td>$10,963,031</td>
</tr>
<tr>
<td>Olsson Industrial Electric, Inc.</td>
<td>$11,423,212</td>
</tr>
<tr>
<td>Potelco, Inc.</td>
<td>$16,303,098</td>
</tr>
</tbody>
</table>

Burke was found to be technically non-compliant primarily due to their and their subcontractor’s inability to meet the experience requirements. Their Representative informed us of this deficiency after further inquiry into their proposal. The bid should, therefore, be awarded to Olsson Industrial Electric. Potelco’s bid was not evaluated because it exceeded the budget threshold.

Justification: This work is being performed to address the equipment approaching or exceeding end-of-life. This equipment will provide confidence in its safety and reliability for many years to come.

Switchgear serves two primary roles in plant operations, life safety and equipment protection. The circuit breakers and protective relays are original equipment (~60 years old). Modern circuit breakers and protective relays will significantly improve the safety and reliability of plant equipment. This plant.
equipment facilitates the production of power at Priest Rapids and Wanapum Dams by providing power to critical balance of plant equipment.

Maintenance of existing equipment has brought attention to an increasing number of problems with the ageing switchgear. Routine maintenance has shown that some breakers may not operate correctly had they been called on to do so. If significantly postponed, eventually the existing problems will culminate in a safety incident or long-duration station service power outage. The current method of addressing problems with failed breakers is to ship them out for remanufacture, a solution that is not cost effective or tenable long term. The work will also result in the reduction of hazardous materials (Asbestos, lead, mercury) reducing the impact of future activities.

Updating the protective relays will improve the speed of operation and the level of protection, both of which have significant effects on the safety of plant personnel and reduce the PPE requirements. The arc-flash rating at the Wanapum substation is currently 93 cal/cm². The arc-flash rating of the new system is less than 4 cal/cm², a reduction of 96%. This allows work in the lowest PPE level and greatly reduces the arc-flash boundary. The improved data and control offered by coordinated relays will reduce outages and provide more information to plant Operators.

A significant failure would have a corresponding impact to safety and operations. Though rare, catastrophic failure of this equipment is not beyond consideration. Such an event, may not only damage the equipment but any who happened to be nearby. The failure of an entire station service, which could result in the long-term (multiple week/month) loss of one of two station services and leaves the plant significantly more susceptible to a blackout or black-start event.

The two right bank substations are proposed for complete replacement. These two substations have a bus configuration that does not provide the redundancy of the other subs. Coupled with this are transformers that are showing their old age and an enclosure which is not as impervious to the elements as it used to be.

<table>
<thead>
<tr>
<th>Wanapum Dam</th>
<th>Benefits:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Station Service:</td>
<td></td>
</tr>
<tr>
<td>14 Med. Voltage Breakers + 1 spare</td>
<td>Vacuum breakers require less maintenance, have no hazardous materials</td>
</tr>
<tr>
<td>16 Protective Relays</td>
<td>One multi-function relay replaces several devices and improves safety</td>
</tr>
<tr>
<td>Inter-Relay Communication System</td>
<td>Networked relays for coordinated tripping, more information to Operators</td>
</tr>
<tr>
<td>HMI</td>
<td>Local control and status indication</td>
</tr>
<tr>
<td>Grounding Transformer Panel</td>
<td>Longer life for the switch</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plant Substation:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Low Voltage Breakers + 1 Spare</td>
<td>New Breakers have more reliability and no hazardous materials</td>
</tr>
<tr>
<td>16 Protective Relays</td>
<td>One multi-function relay replaces several devices and improves safety</td>
</tr>
<tr>
<td>Inter-Relay Communication System</td>
<td>Networked relays for coordinated tripping, more information to Operators</td>
</tr>
<tr>
<td>Emergency Diesel Connection</td>
<td>Improves reliability- was in original design for plant</td>
</tr>
<tr>
<td>69 Low Voltage Breakers + 3 Spare</td>
<td>New Breakers have more reliability and no hazardous materials</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Right Bank Substation:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Disconnect Switches</td>
<td>Provides better protection for substation</td>
</tr>
<tr>
<td>2 Dry-type Transformers</td>
<td>Have no more oil over fish ladders, smaller to better suit actual load</td>
</tr>
<tr>
<td>14 Breakers</td>
<td>New Breakers have more reliability and no hazardous materials</td>
</tr>
<tr>
<td>4 Protective Relays</td>
<td>One multi-function relay replaces several devices and improves safety</td>
</tr>
<tr>
<td><strong>Inter-Relay Communication System</strong></td>
<td>Networked relays for coordinated tripping, more information to Operators</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>

**Priest Rapids Dam**

<table>
<thead>
<tr>
<th><strong>Station Service:</strong></th>
<th><strong>Benefits:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>16 Med. Voltage Breakers + 1 spare</td>
<td>Vacuum breakers require less maintenance, have no hazardous materials</td>
</tr>
<tr>
<td>18 Protective Relays</td>
<td>One multi-function relay replaces several devices and improves safety</td>
</tr>
<tr>
<td>Inter-Relay Communication System</td>
<td>Networked relays for coordinated tripping, more information to Operators</td>
</tr>
<tr>
<td>HMI</td>
<td>Local control and status indication</td>
</tr>
<tr>
<td>Grounding Transformer Panel</td>
<td>Longer life for the switch</td>
</tr>
<tr>
<td>14 15kV Cables</td>
<td>Removes hazardous materials</td>
</tr>
</tbody>
</table>

**Plant Substation:**

| 82 Low Voltage Breakers + 4 Spare | New Breakers have more reliability and no hazardous materials |
| 16 Protective Relays | One multi-function relay replaces several devices and improves safety |
| Inter-Relay Communication System | Networked relays for coordinated tripping, more information to Operators |

**Right Bank Substation:**

| 2 Disconnect Switches | Provides better protection for substation |
| 2 Dry-type Transformers | Have no more oil over fish ladders, smaller to better suit actual load |
| 14 Breakers | New Breakers have more reliability and no hazardous materials |
| 4 Protective Relays | One multi-function relay replaces several devices and improves safety |
| Inter-Relay Communication System | Networked relays for coordinated tripping, more information to Operators |

**Financial Considerations:**

The project is budgeted under capital PIDs 103438, 103439, 103440, 103441 for the years 2021, 2022, and 2023.

The Engineer’s estimate was based upon similar construction projects, material, equipment and labor prices.

Four major options were evaluated to determine the best course of action.

1. Maintain status quo
2. Breaker Retro-fill
3. Like-Kind Substation Replacement
4. Expanded Functionality/Capacity Substation Replacement

Doing nothing and continuing with the present course was evaluated first and found to be expensive and hazardous. The cost to remanufacture a breaker represents a significant fraction of the cost to replace it outright. The complete replacement was found to be the most expensive of solutions. The existing enclosures, transformers, and bus were found to be in acceptable condition. Therefore, the Retro-fill option was chosen as the most cost-effective.

The low bid has been reviewed by the District and found to be unacceptable. It is recommended that the contract be awarded to the second lowest bid.

**Contract Specifications:**
The experience and submission requirements were expanded in order to prove compliance to the many requirements in the technical specification.

The contract has been divided into 4 Milestones. Milestones #1 and #2 are structured to provide hard scheduling constraints around Plant operating conditions and minimize reliability concerns due to the extensive outages required. Milestone #3 involves work that is not on the core power system and has fewer scheduling constraints. This will allow the contractor scheduling flexibility and to reduce mobilization costs. The fourth Milestone provides for any follow-up work and completion of all training and documentation. Payment will be performed on a monthly basis according to the Contractor’s schedule of values, subject to performance bonds and liquidated damages.

**Recommendation:** Commission approval to award Contract 430-09972R1 Plant Power Distribution Modernization to Olsson Industrial Electric, Inc. in the amount of $11,423,212.

**Legal Review:** See attached e-mail(s).
Brady Brown
Electrical Engineer
Grant County PUD
bbrown@gcpud.org
(509)754-5088 x3314

From: Dale Campbell <Dcampbe@gcpud.org>
Sent: Wednesday, September 23, 2020 8:30 AM
To: Brady Brown <Bbrown@gcpud.org>
Cc: Ian Jones <Ijones@gcpud.org>
Subject: RE: Commission memo

Brady,

I approve of the memo. Please use this email as my signature.

Regards,

Dale

From: Brady Brown <Bbrown@gcpud.org>
Sent: Thursday, September 17, 2020 5:28 PM
To: Richard Wallen <rwallen@gcpud.org>; Ty Ehrman <Tehrman@gcpud.org>
Cc: Dale Campbell <Dcampbe@gcpud.org>
Subject: RE: Commission memo

Hi Rich,
We have expanded the scope to include all of the Wanapum switchgear and I missed that in the language from the previous. This should fix it. Let me know if there are any more questions.

Brady Brown
Electrical Engineer
Grant County PUD
bbrown@gcpud.org
(509)754-5088 x3314

From: Richard Wallen <rwallen@gcpud.org>
Sent: Thursday, September 17, 2020 4:55 PM
To: Brady Brown <Bbrown@gcpud.org>; Ty Ehrman <Tehrman@gcpud.org>
Brady,

What piece of the 600v system at Wanapum is not being replaced and is there a reason why? Should it be highlighted in the memo?

Regards,

Rich

From: Brady Brown <bbrown@gcpud.org>
Sent: Thursday, September 17, 2020 3:02 PM
To: Ty Ehrman <tehrman@gcpud.org>; Richard Wallen <rwallen@gcpud.org>
Cc: Dale Campbell <dcampbe@gcpud.org>
Subject: Commission memo

Gentlemen,
Please see the attached memo for your review. Please do not sign until we have received all comments. Let me know if you have any questions.

Thank you,

Brady Brown
Electrical Engineer

OFFICE  509.754.5088
EXT.  3314
EMAIL  bbrown@gcpud.org

grantpud.org
Last one, I signed the pdf.

I approve. Thank you Brady.

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Thank you,

Brady Brown
Electrical Engineer

OFFICE 509.754.5088
EXT. 3314
EMAIL bbrown@gcpud.org

grantpud.org
Brady Brown
Electrical Engineer
Grant County PUD
bbrown@gcpud.org
(509)754-5088 x3314

From: Ty Ehrman <Tehrman@gcpud.org>
Sent: Wednesday, September 23, 2020 8:54 AM
To: Brady Brown <bbrown@gcpud.org>; Richard Wallen <rwallen@gcpud.org>
Cc: Dale Campbell <Dcampbe@gcpud.org>
Subject: RE: Commission memo

Approved.

Ty Ehrman
DESK 509.793.1587
CELL 509.361.8201

From: Brady Brown <bbrown@gcpud.org>
Sent: Thursday, September 17, 2020 5:28 PM
To: Richard Wallen <rwallen@gcpud.org>; Ty Ehrman <Tehrman@gcpud.org>
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Thank you,

Brady Brown
Electrical Engineer

OFFICE 509.754.5088
EXT. 3314
EMAIL bbrown@gcpud.org

grantpud.org
Melissa Leonard

From: Brady Brown
Sent: Wednesday, September 23, 2020 9:08 AM
To: Betty Snell
Subject: FW: Commission memo

Brady Brown
Electrical Engineer
Grant County PUD
bbrown@gcpud.org
(509)754-5088 x3314

From: Richard Wallen <rwallen@gcpud.org>
Sent: Friday, September 18, 2020 9:13 AM
To: Brady Brown <Bbrown@gcpud.org>; Ty Ehrman <Tehrman@gcpud.org>
Cc: Dale Campbell <Dcampbe@gcpud.org>
Subject: RE: Commission memo

I’m good with this, thanks!

Rich

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Brady Brown
Electrical Engineer

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3314
bbrown@gcpud.org

grantpud.org
Conclusion: Award to Olsson Industrial Electric

Bidder #1, Burke Electric

Statement of Experience (SOE):

1. Project #1 is not located at a hydroelectric facility per ITB 8.C, the project shows experience in 8.C.2 and 8.C.5 only and does not meet the requirement for 5 of the 8 required areas.
2. Project #2 shows experience in 8.C.1, 8.C.2, and 8.C.3 only. The project does not specify whether the switchgear was existing prior to installation. The project includes a minimal reference to commissioning of some equipment which may meet the requirement of 8.C.8 but more investigation would be required. This project does not meet the requirement for experience in 5 of the 8 required areas.
3. Project #3 shows experience in 8.C.1. Requirement 8.C.7 appears to have been met but may require further investigation to clear up the nature of the substation. This does not meet the requirement for 5 of the 8 required areas.
4. Project #4 only minimally meets the requirement to have occurred inside a hydroelectric facility per ITB 8.C as most of the work appears to have been located in a substation external to the facility. This project shows experience in area 8.C.6 only. The project does not meet the requirement for 5 of the 8 required areas.
5. Project #5 did not occur inside of a hydroelectric facility as required by 8.C. The requirement 8.C.2 may be minimally met but the switchgear example provided appears to be a new installation of outdoor equipment and not the upgrade of existing indoor equipment required. The project does not meet the requirement for 5 of the 8 required areas.
6. Project #6 appears to be mostly the same project as Project #4, the summaries for both projects are identical, and the narrative for this project references project #4, as such further investigation may be required in order to classify it as a separate project. This project minimally meets the requirement to have occurred inside a hydroelectric facility though most of the work appears to have been located in a substation external to the facility. This project shows experience in area 8.C.5 and 8.C.6. The requirement 8.C.2 may be minimally met but the switchgear example provided appears to be a new installation of outdoor equipment and not the upgrade of existing indoor equipment required. The project does not meet the requirement for 5 of the 8 required areas.
7. Subcontractor #1, ABB:
   6 projects listed for requirement 8.C.1, none of the projects occurred in hydroelectric facilities. 6 projects listed for requirement 8.C.2, two of the projects occurred in hydroelectric facilities.
8. Subcontractor #2, L&S Electric:
   Only 5 projects provided. The subcontractor’s experience is provided to meet requirement 8.C.4. However, only two of the projects explicitly state that they had manufactured the panels. None of the projects included completion dates to show that they were completed in the last 10 years per requirement. This company may have violated NERC regulations by publicly sharing photos of a BES control room.
9. Subcontractor #3, PNW Environmental:
   Only 5 projects provided, only 3 of these were at hydroelectric facilities. The subcontractor’s experience is provided to meet requirement 8.C.3.
10. Subcontractor #4, Integrity Networks:
    Only 4 projects provided, one of the 5 projects was duplicated and therefore excluded. None of the projects occurred at a hydroelectric facility. None of the projects included
completion dates to show that they were completed in the last 10 years per requirement. The subcontractor’s experience is provided to meet requirement 8.C.3.

Resumes:
11. Of the personnel expected to be on site, there is a considerable disconnect between the bidder’s reference projects and the work performed by the personnel. The project manager appears to have not worked on any of the reference projects and has very little experience in hydroelectric facilities.

Project Management Plan:
12. Section 8.d.iii.3 references a subcontractor for concrete work on the Right Bank Substations who is not listed in the SOE or the Bid Form in violation of ITB 8.B. This work is projected to take 5 days at each plant per the submitted project schedule (lines 25 and 169). Asked of this omission, the bidder states that use Pro Cut Concrete Cutting and Breaking will be the subcontractor performing this work.

Bid Submittals:
13. The primary equipment supplier excludes applicability of TS-5.B.5, the bidding contractor provides no provision to make up for this deficiency. Asked of this omission, the bidder states that Coffman Engineers will be performing the necessary seismic calculation. This subcontractor was not listed on the Bid Form in violation of ITB 8.B.
14. The panel door manufacturer provided incorrect number of doors with SEL-787 relays per TS-2.A.7. There are 2 of these per plant (716, 726 at each plant), only one was specified. This also resulted in an overcount of the number of feeder doors required.
15. The panel door manufacturer did not provide for the SEL-2703M in the substation panels. There is one per substation for a total of 8.
16. The panel door manufacturer provided 4 panels for TS-10 even though these are provided for in an earlier part of the Submittal for a different manufacturer.
17. The panel door manufacturer provided 24 blank doors for the Wanapum substations. The correct count should be 4, one per substation. This is an overcount of 20.

Amended Statement of Experience
When questioned regarding their SOE, Burke supplied additional information regarding their experience. The addendum supplied 9 additional reference projects.
18. Project #1 occurred in 2005 and does not meet the requirement to have occurred within the last 10 years. The project shows no experience in any required area.
19. Project #2 may show experience in 8.C.1 or 8.C.2 or 8.C.5 though there is insufficient detail to make a determination. This work appears to be entirely new construction and does not meet the requirement for 8.C.1 and 8.C.2 to have occurred on existing switchgear nor does it meet the requirement to have occurred in an operating hydroelectric facility. The project does not meet the requirement for 5 of the 8 required areas.
20. Project #3 shows experience in areas 8.C.1, 8.C.2 and 8.C.5. The project does not meet the requirement for 5 of the 8 required areas.
21. Project #4 shows experience in 8.C.1 or 8.C.2, though there is insufficient detail to determine which. This work appears to be entirely new construction and does not meet the requirement for 8.C.1 and 8.C.2 to have occurred on existing switchgear nor does it meet the requirement to have occurred in an operating hydroelectric facility. The project does not meet the requirement for 5 of the 8 required areas.
22. Project #5 shows experience in areas 8.C.5 and 8.C.2, area 8.C.8 may also apply though there is insufficient detail make a determination. This work appears to be entirely new construction and does not meet the requirement for 8.C.2 to have occurred on existing
switchgear nor does it meet the requirement to have occurred in an operating hydroelectric facility. The project does not meet the requirement for 5 of the 8 required areas.

23. Project #6 may show experience in areas 8.C.5 and 8.C.8 though there is insufficient detail to make a determination. The project does not meet the requirement for 5 of the 8 required areas.

24. Project #7 occurred in 2008 and does not meet the requirement to have occurred within the last 10 years. The project shows no experience in any required area.

25. Project #8 shows no experience in any required area. The project summary shows a completion date of 2010 however, a later list of projects has the completion date as 2007 which is outside of the 10 year requirement.

26. Project #9 is the same as shown above in item #4.

27. Project #10 occurred in 2001 and does not meet the requirement to have occurred within the last 10 years. The project shows no experience in any required area.

Disposition:
Burke Electric has submitted a considerably deficient Statement of Experience. It failed to establish the scope of the work as meeting the required areas of experience. The addition of project #6 appears to have been a rewrite of project #4 in order to meet the minimum number of reference projects. The SOE provides #2, #3, #20, and #23 above as the only projects to meet the operating hydroelectric plant experience requirement and were not excluded for other reasons. Of these, all failed to meet the requirement that 5 of the 8 areas of experience be included. The completion date for #25 is an issue that may be interpreted as a deliberate manipulation of information in order to meet the criteria. Another issue appears to be a lack of diligence in correcting errors in the submittals provided by their subcontractors. Burke needed the experience of the subcontractors in order to meet the experience requirement and the subcontractors’ SOE then failed to meet the minimum requirements. Burke's representative was able to provide an additional project for their fiber subcontractor. The representative also stood by the SOE provided by the Abatement subcontractor, stating that all of the projects were at hydroelectric facilities. However, two of the projects occurred at BPA owned facilities which operate no hydroelectric facilities. This has resulted in a proposal that failed to meet the requirements of the Bid Documents. Item 12 and 13 are clear exceptions to the requirement of ITB 8.B such that the bidder has failed to list a subcontractor on the Bid Form. The bidder attempted to mitigate these omissions by explaining that the cost involved was minimal, however, the contract documents make no allowances for an exception in this regard. Burke’s representative stated that additional subcontractors will be required to perform the contract requirements. It is entirely conceivable that Burke Electric has underbid in an effort to influence a decision to overlook the shortcomings in their SOE. Burke Electric’s representative has stated that they have only 2 projects that meet our criteria. Burke’s bid is considerably lower than what is anticipated, the increase in the scope of the supplied material, due to Addendum #3, should have a corresponding increase in the cost of the bid but this does not appear to be reflected in Burke’s bid price. Item 13 represents a clear exception to the terms of the Technical Specification. This omission fails to uphold the terms of ITB Section 8.G.1. This would further compound concerns about the cost of the proposal as the bidder may later press for an increase in the bid price to correct the deficiency. This proposal is technically noncompliant and should be rejected. Given these concerns, it is apparent that Burke Electric has failed to establish itself as a responsible bidder. These concerns further indicate that Burke has failed to meet the standards of ITB Sections 7.E.1 and 7.E.2.
Bidder #2, Olsson Industrial Electric

Statement of Experience:
1. Project #3 explicitly meets 4 of the 8 areas required under ITB 8.C. Further inquiry of the bidder confirmed that 8.C.1, 8.C.3, 8.C.4, 8.C.5, 8.C.6, 8.C.7, and 8.C.8 are applicable, meeting the requirement.
2. Project #4 shows experience in 8.C.1, 8.C.4, and 8.C.6. Further inquiry of the bidder confirmed that 8.C.1, 8.C.3, 8.C.4, 8.C.6, and 8.C.8 are applicable, meeting the requirement.
3. Project #5 shows experience in 8.C.1, 8.C.2, 8.C.4, and 8.C.7. Further inquiry of the bidder confirmed that 8.C.3, 8.C.5, and 8.C.8 are also applicable, meeting the requirement.
4. Project #6 shows experience in 8.C.4 and 8.C.8. Further inquiry of the bidder confirmed that 8.C.3, 8.C.5, 8.C.6, and 8.C.8 are also applicable, meeting the requirement.
5. Subcontractor #1, ABB: An SOE is not required as Olsson is experienced in switchgear rehabilitation and testing as shown in their own SOE and do not need the subcontractor to make up for a lack of experience in requirement 8.C.1, 8.C.2, or 8.C.8.
6. Subcontractor #2, PNW Environmental: An SOE is not required as Olsson has stated their personnel have training and experience in asbestos abatement themselves as shown in their own SOE, regardless of their intent to use a subcontractor for the work. This is further supported by their statement that they do not intend for the contractor to handle all aspects of the abatement and clarified upon further inquiry that the primary function of the subcontractor is to address some of the unique circumstances found in the plants.
7. Subcontractor #3, Smith Monroe Gray: An SOE is not required as the subcontractor is performing a service outside the scope of requirement 8.C.

Disposition:
Olsson Industrial Electric was able to clear up any potential omissions in their SOE upon further investigation. There was a considerable alignment between the previous projects and experience of the project personnel at operational hydroelectric facilities and the referenced projects and this project’s objectives. No omissions were discovered in the equipment submittals.

Bidder #3, Potelco

Not evaluated because this bid exceeded the budgetary threshold.

Result:
The requirement was that all of the SOE reference projects meet 5 of the 8 required areas of experience, it further holds this standard to subcontractor’s whose experience is needed to rectify any deficit. A request for further clarification effectively eliminated all of the objections or missed requirements in Olsson’s proposal. However, several considerable problems would remain in Burke Electric’s proposal. These would then require rejecting Burke as being a responsible bidder and raise serious concerns whether Burke has the character and integrity necessary to perform the terms of the contract. It is the opinion of the District Representative that Olsson Industrial Electric should be awarded the contract.
### COMMERCIAL EVALUATION

<table>
<thead>
<tr>
<th>Contract No.</th>
<th>430-09972R1</th>
<th>Contract Title</th>
<th>Plant Power Distribution Modernization</th>
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<td>Total No. of Bidders</td>
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<td>Addenda issued?</td>
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<td>If yes, how many</td>
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### Cost Estimate: $11,750,000.00

### Bidders

#### Burke Electric, LLC

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<td>Technically Compliant?</td>
<td>No (see add'l information)</td>
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Additional Information:
Burke Electric did not meet the required experience requirements as required in the Contract Documents.

#### Olsson Industrial Electric, Inc.

<table>
<thead>
<tr>
<th>Name of Bidder</th>
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Additional Information:
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<tr>
<td>Commercially Compliant?:</td>
<td>No (see below)</td>
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<tr>
<td>Technically Compliant?:</td>
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</tr>
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Additional Information:

- Total Bid Price exceeded the cost estimate by more than 115%.
- Pricing for asbestos abatement in Total Bid Price is not firm. Anything over $100,000 would be charged.
- Didn’t list the percent of bid on the list of subcontractors on the Bid Form.
- Technical evaluation not completed.
RESOLUTION NO. 8953

A RESOLUTION ESTABLISHING RATE SCHEDULE NO. 30, WHOLESALE TRANSMISSION DELIVERY FOR LARGE LOAD CUSTOMERS, AND RATE SCHEDULE NO. 31, WHOLESALE TRANSMISSION DELIVERY FOR SMALL LOAD CUSTOMERS

Recitals

1. Pursuant to RCW 54.16.040, Grant PUD is authorized to regulate and control the use, distribution, rates, service, charges, and price of electric energy;

2. Effective January 1, 2021, Rate Schedule No. 30 will reflect the current effective wholesale transmission rates pursuant to the current approved USBR MOA. Previously, these rates were not documented in a Rate Schedule to facilitate their applicability to other customers but have been charged to USBR since July 1, 2017. These rates will be so marked;

3. Effective January 1, 2022, Rate Schedule No. 30 will be modified to reflect the Transmission Cost of Service Study (COSS) wholesale transmission delivery rates developed for Transmission and Distribution charges applicable to transmission wheeling customers. In May 2019, Grant PUD engaged stakeholders to develop an updated Transmission COSS in accordance with Federal Regulatory Energy Commission (FERC) policies and guidelines. The Transmission COSS was calculated using a Return on Equity of 7%, which compensates Grant PUD’s retail customers for their payments for the transmission construction builds and to ensure all customers pay their fair share;

4. Effective January 1, 2021, Rate Schedule No. 31 will reflect the current effective wholesale transmission rates pursuant to the current rates in the approved USBR MOA, subject to future Commission modification; and

5. Grant PUD’s General Manager and Grant PUD staff recommend establishing Rate Schedule No. 30 and Rate Schedule No. 31 as set forth in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that effective January 1, 2021, Rate Schedule No. 30, Transmission Wholesale Delivery for Large Load Customers, and Rate Schedule No. 31, Transmission Wholesale Delivery for Small Load Customers, are hereby established as set forth in Exhibit A hereto.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 27th day of October, 2020.

________________________________________________________________________
President

ATTEST:

________________________________________________________________________
Secretary

________________________________________________________________________
Vice President

________________________________________________________________________
Commissioner

________________________________________________________________________
Commissioner
RATE SCHEDULE NO. 30
Wholesale Transmission Delivery for Large Load Customers

Rates shown on this Rate Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Available: To eligible transmission customers delivering power to a Grant PUD point of receipt for service to 115kV and 13.2 kV and voltages below 13.2 kV as determined by Grant PUD. Customers under Rate Schedule 30 are wholesale transmission delivery Large Load Customers within Grant PUD’s electric system that are not Grant PUD retail loads.

Effective: For service beginning January 1, 2021 through December 31, 2021.

Services Received: Delivery of energy from the point of receipt to the customer load and the necessary Ancillary Services required to serve these Large Loads connected to the Grant PUD electric system.

Monthly Billing Rates based on Load Type:

30-A: For loads that take delivery at a nominal voltage of 115 kV

Basic Charge: $32 per month
Delivery: $1.90 per kW of Billing Demand

30-B: For loads that utilize only the Districts 13.2 kV system

Basic Charge: $32 per month
Delivery: $3.12 per kW of Billing Demand

30-C: For loads that utilize the District’s 115/230 kV system and take delivery at a nominal voltage of 13.2 kV and for loads at voltages below 13.2 kV as determined by Grant PUD.

Basic Charge: $32 per month
Delivery: $5.02 per kW of Billing Demand

Applicable Ancillary Services to 30-A, 30-B, and 30-C

1) Regulation and Frequency Response $0.00013/kWh
2) Operating Reserves $0.00033/kWh

Billing Demand: The Billing Demand under this schedule shall be the highest 60-minute demand during the month as determined by the load’s demand meter, adjusted for losses and power factor. If a customer
subject to this rate schedule has language in their delivery contract to utilize a ratchet concept or other concept to determine and utilize a monthly billing demand, then the rates in this Schedule 30 will apply to the demand used for billing purposes as determined in the customer’s contract.

**Power Factor Adjustment:** If the power factor (pf) for the month is less than 0.95 leading or lagging, the peak demand will be multiplied by the term 0.95/pf. The power factor will be determined using the total kWh and kVARh for the billing period.

**Loss Adjustment:** The peak demand will be increased by the applicable Transmission Loss Factor.

**Service:** Service under this Schedule is subject to the terms and conditions in Grant PUD’s Customer Service Policies which may be amended from time to time by Grant PUD, and contracts between Grant PUD and customer.

**Tax Adjustment:** The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

**Definitions:**

**Ancillary Services:** those services necessary to support the transmission of electric power from resources to loads given the obligations of balancing authorities and transmitting utilities within those balancing authorities to maintain reliable operations of the interconnected transmission system. These include but are not limited to:

- Regulation and Frequency Response service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz).

- Operating Reserve service is needed to serve load in the balancing authority area in the event of a system contingency.

**Transmission Loss Factor:** A value that compensates for the loss of power and energy on the Grant PUD system to facilitate delivery. If Customer’s contract does not contain the applicable loss factors, the loss factors in the Grant PUD Ancillary Services Rate Schedule will apply.

**Large Load Customer:** 115kV and 13.2 kV wholesale transmission delivery customers, and customers that take delivery below 13.2 kV as determined by Grant PUD, within Grant PUD’s electric system that are not Grant PUD retail loads.
RATE SCHEDULE NO. 30
Wholesale Transmission Delivery for Large Load Customers

Rates shown on this Rate Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Available: To eligible transmission customers delivering power to a Grant PUD point of receipt for service to 115kV and 13.2 kV and voltages below 13.2 kV as determined by Grant PUD. Customers under Rate Schedule 30 are wholesale transmission delivery Large Load Customers within Grant PUD’s electric system that are not Grant PUD retail loads.

Effective: For service beginning January 1, 2022.

Services Received: Delivery of energy from the point of receipt to the customer load and the necessary Ancillary Services required to serve these Large Loads connected to the Grant PUD electric system.

Monthly Billing Rates based on Load Type:

30-A: For loads that take delivery at a nominal voltage of 115 kV
   Basic Charge: $32 per month
   Delivery: $2.51 per kW of Billing Demand

30-B: For loads that utilize only the Districts 13.2 kV system
   Basic Charge: $32 per month
   Delivery: $4.36 per kW of Billing Demand

30-C: For loads that utilize the District’s 115/230 kV system and take delivery at a nominal voltage of 13.2 kV and for loads at voltages below 13.2 kV as determined by Grant PUD.
   Basic Charge: $32 per month
   Delivery: $6.87 per kW of Billing Demand

Applicable Ancillary Services to 30-A, 30-B, and 30-C

1) Regulation and Frequency Response $0.00013/kWh
2) Operating Reserves $0.00033/kWh

Billing Demand: The Billing Demand under this schedule shall be the highest 60-minute demand during the month as determined by the load’s demand meter, adjusted for losses and power factor. If a customer subject to this rate schedule has language in their delivery contract to utilize a ratchet concept or other
concept to determine and utilize a monthly billing demand, then the rates in this Schedule 30 will apply to the demand used for billing purposes as determined in the customer’s contract.

**Power Factor Adjustment:** If the power factor (pf) for the month is less than 0.95 leading or lagging, the peak demand will be multiplied by the term 0.95/pf. The power factor will be determined using the total kWh and kVARh for the billing period.

**Loss Adjustment:** The peak demand will be increased by the applicable Transmission Loss Factor.

**Service:** Service under this Schedule is subject to the terms and conditions in Grant PUD’s Customer Service Policies which may be amended from time to time by Grant PUD, and contracts between Grant PUD and customer.

**Tax Adjustment:** The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

**Definitions:**

**Ancillary Services:** those services necessary to support the transmission of electric power from resources to loads given the obligations of balancing authorities and transmitting utilities within those balancing authorities to maintain reliable operations of the interconnected transmission system. These include but are not limited to:

- Regulation and Frequency Response service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz).

- Operating Reserve service is needed to serve load in the balancing authority area in the event of a system contingency.

**Transmission Loss Factor:** A value that compensates for the loss of power and energy on the Grant PUD system to facilitate delivery. If Customer’s contract does not contain the applicable loss factors, the loss factors in the Grant PUD Ancillary Services Rate Schedule will apply.

**Large Load Customer:** 115kV and 13.2 kV wholesale transmission delivery customers, and customers that take delivery below 13.2 kV as determined by Grant PUD, within Grant PUD’s electric system that are not Grant PUD retail loads.
RATE SCHEDULE NO. 31
Wholesale Transmission Delivery for Small Load Customers

Rates shown on this Rate Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Available: To eligible transmission customers delivering power to a Grant PUD point of receipt for service to Small Load Customers within Grant PUD’s electric system that are not Grant PUD retail loads.

Effective: For service beginning January 1, 2021.

Services Received: Delivery of energy from the point of receipt to Small Load customers and the necessary Ancillary Services required to serve these small loads within the Grant PUD electric system.

Monthly Billing Rates based on Load Type:

31-A: For residential service customers for single-phase service

Delivery: $0.03873 per kWh
Basic Charge: Currently no charge

31-B: For loads not exceeding 500 kW (as measured by Billing Demand) for general service, commercial, multi-residential and miscellaneous outbuilding lighting, heating and power (excepting irrigation service) requirements.

Delivery: $0.02432 per kWh
Basic Charge: Currently no charge

31-C: For pumping loads not exceeding 2,500 horsepower and other miscellaneous power needs including lighting.

Delivery: $0.02622 per kWh
Basic Charge: Currently no charge

Service: Service under this Schedule is subject to the terms and conditions in Grant PUD’s Customer Service Policies which may be amended from time to time by Grant PUD.

Tax Adjustment: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.
**Definitions:**

*Ancillary Services:* those services necessary to support the transmission of electric power from resources to loads given the obligations of balancing authorities and transmitting utilities within those balancing authorities to maintain reliable operations of the interconnected transmission system.

*Small Load Customers:* residential, small commercial, and pumping loads that receive wholesale delivery service.
MEMORANDUM

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Dave Churchman, Chief Customer Officer

FROM: Bob Brill, Economist
Rod Noteboom, Manager of Transmission Services
Nate Manning, Interim Rates and Load Forecasting Analyst

SUBJECT: Establish Rate Schedule Nos. 30 and 31

Purpose: To request Commission approval of Rate Schedule No. 30, Transmission Wholesale Delivery for Large Load Customers, and Rate Schedule No. 31, Transmission Wholesale Delivery for Small Load Customers, which are residential, small commercial and pumping loads.

Discussion:
Beginning in the spring of 2019, PUD staff initiated a public process to review the recently completed Transmission Cost of Service Study (COSS). Based upon that comprehensive effort staff proposes implementing two new wholesale transmission and distribution rate schedules – Rate Schedule No. 30 for large loads taking service at 115 kV, 13.2 kV and below 13.2 kV as determined by Grant PUD, and Rate Schedule No. 31 for small loads.

Initially Rate Schedule Nos. 30 and 31 rates would be equivalent to the rate in the current USBR Memorandum of Agreement (MOA) (For RS 30, see Table 1, Column A). Effective January 1, 2022, Rate Schedule No. 30 would reflect the rates resulting from the recent Transmission COSS reflecting an ROE at 7% (see Table 1, Column B). To consider the regulatory lag differences between an investor owned and public utilities, the 9.8% ROE from May 12, 2020 Transmission COSS was adjusted to 7%. Rate Schedule 31 for small loads would be set at the rates reflected in the current USBR MOA but could change in the future at Commission direction (see Table 2).

Rate Schedule Nos. 30 and 31 would apply to all eligible network transmission customers. Applicability to existing customers under contract will be evaluated on a case to case basis.

Table 1: Current and Proposed Transmission Rates for Rate Schedule 30

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<th>Transmission COSS Proposed Rates (ROE at 7%) Effective 1/1/2022</th>
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</thead>
<tbody>
<tr>
<td>115kV Service</td>
<td>$1.90</td>
<td>$2.51</td>
</tr>
<tr>
<td>13.2kV Service</td>
<td>$3.12</td>
<td>$4.36</td>
</tr>
<tr>
<td>Combined Service</td>
<td>$5.02</td>
<td>$6.87</td>
</tr>
<tr>
<td>Services Rendered Through Rate Schedule No. 31</td>
<td>Current USBR MOA Rates Effective 1/1/2021</td>
<td>Current Basic Charge</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>--------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>RS 31a – Residential customers such as single-family dwellings</td>
<td>$0.03873 per kWh</td>
<td>Currently no charge</td>
</tr>
<tr>
<td>RS 31b – For loads not exceeding 500 kW</td>
<td>$0.02432 per kWh</td>
<td>Currently no charge</td>
</tr>
<tr>
<td>RS 31c – For pumping loads not to exceed 2,500 horsepower</td>
<td>$0.02622 per kWh</td>
<td>Currently no charge</td>
</tr>
</tbody>
</table>

In 2017, PUD and USBR staff negotiated a contract defining the terms and conditions of transmission service, other than rates. At that time, the terms and conditions in the contract were agreed to by both the USBR and the PUD, but never executed. The contract covers items such as billing, metering, losses, and some ancillary services. Staff anticipates working with USBR to review and execute this (or similar) contract for service commencing no later than December 31, 2021. Until that time, services rendered would continue under the current MOA.

On October 1, 2020, the PUD and USBR executed an MOA for 2021 with similar terms and pricing to the 2020 MOA (see Table 1, Column A and Table 2). Going forward, staff will work with USBR to agree on a contract beginning January 1, 2022 that contains the terms and conditions of transmission service with rates determined by the applicable rate schedule (see Table 1, Column B).

**Recommendation:** Approve Rate Schedule 30 and Rate Schedule 31 effective immediately. Rates would be phased in over two years as described above.

**Legal Review:** To be provided for the October 13, 2020 Commission Meeting.
Randi/Melissa

This email is to approve for submission the documents provided for the Transmission COSS scheduled for the October 13, 2020.

Thanks

bob

Bob Brill
Economist

(c) 540-270-3703
Motion was made by __________ and seconded by __________ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10632 with CDW Government, Inc. for a three-year renewal of Grant PUD’s Microsoft Enterprise Agreement in an amount not-to-exceed $1,372,037.52 to be paid in three annual installments in the amounts of $457,345.84 from August 31, 2020 through August 31, 2023.
MEMORANDUM

September 22, 2020

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Jeffrey Bishop, Chief Financial Officer

FROM: Derin Bluhm, Chief Technology Officer

SUBJECT: Award of Contract 430-10632

Purpose:

To request Commission approval to award Contract No. 430-10632 to CDW Government, Inc. for a three-year renewal of Grant PUD’s Microsoft Enterprise Agreement. This reseller agreement covers nearly all Microsoft software products and cloud services used across Grant PUD enterprise and all business units.

Discussion:

Businesses and government entities with significant Microsoft product deployment leverage an Enterprise Agreement to spread software costs over a 3-year period. Grant PUD has maintained Enterprise Agreements with Microsoft on this rolling 3-year basis for some time with this renewal continues that best practice.

In 2018, Grant PUD made a strategic decision to migrate many services to “the cloud” to enable rapid adoption of modern technology and minimize reliance on constrained internal data center services and operations. The value of this decision was demonstrated in the ability of Grant PUD to rapidly enable a work from home model in the pandemic era.

This agreement includes costs for subscription-based services, in addition to software deployed through the legacy license/software assurance model. Pricing of the agreement is governed by the state government negotiated agreement “Washington NVP Software (ADSPO16-130652 06016)”.

For absolute clarity, subscription-based products like Office 365 (e.g. Teams, SharePoint, Email, etc.) will no longer operate if this agreement is not renewed or an alternative contract is not implemented.

Justification:

Approving this contract and maintaining our Software Assurance benefit provides significant value to business operations and aligns with Grant PUD’s Mission Statement to generate and deliver energy to our customers efficiently and reliably. The agreement is emblematic of Grant PUD’s value to innovate, delivering outcomes supporting key District objectives to 1) Maintain a Strong Financial Position, 2) Provide Long Term Low Rates, and 3) Provide Outstanding Service to Our Customers.

This is achieved through securing the best prices available to us for our Microsoft software needs, implementing an effective technology roadmap and life-cycling plan, reducing the labor and overhead involved in license renewals, project and life-cycle planning, and procurement for current and future software needs.
The Enterprise Agreement approach is the least cost option to acquire and maintain most Microsoft products and subscriptions. The 3-year term minimizes the procurement overhead while allowing us to control cost with an annual “true up” to realign licensing count to demand changes.

The agreement provides for software licensing and “software assurance” allowing Grant PUD the right to update software as new versions are released and new capabilities are available. Without software assurance, there would be no path to new versions of the software except to repurchase that software at considerable expense.

Software Assurance is a substantial benefit when paired with the technology roadmap and regularly scheduled life cycling of products. Instead of purchasing new product versions as we do in an alternative “Select” model, we can leverage upgrades as they become available without additional purchases or procurement overhead. This results in a more stable enterprise computing environment and lower total-cost-of-ownership over the long term.

Microsoft has a variety of sourcing models\(^1\) available depending upon the size of the enterprise. For organizations larger than 250 users or devices who intend to continue to utilize Microsoft products and services, the Enterprise Agreement offers the best available pricing tiers.

**Financial Considerations:**

The contract pricing will be $1,372,037.52, to be paid in three annual installments in the amount of $457,345.84 from August 31, 2020 through August 31, 2023.

The pricing is tied to the state negotiated agreement to achieve reliable savings at the maximum discount rate.

A comparison of the prior Annual Microsoft spend year over year is provided below for comparison:

<table>
<thead>
<tr>
<th></th>
<th>Old</th>
<th></th>
<th>New</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
<td>2019</td>
<td>2020</td>
<td>2021</td>
</tr>
<tr>
<td>Annual</td>
<td>$231,000</td>
<td>$265,000</td>
<td>$353,000</td>
<td>$457,345.84</td>
<td>$457,345.84</td>
</tr>
<tr>
<td>Spend</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Key drivers for the cost increases:**

- **2019** - We migrated to a model where we license users instead of devices, so we allow individuals to access the services from up to 5 devices, including personal devices enabling broader access and support for flexible use.
- **2020** - We added 250 user subscriptions to O365 to cover 3rd party users, benefitting overall integration. Greatly expanded access to PowerBI for enterprise reporting and analytics.

The following table illustrates the shift away from on-off tools to a consolidated approach within the Microsoft 365 environment. The Enterprise Agreement enables all these tools to be eliminated through

---

In the process of migrating to cloud hosted services, various 3rd party renewals. There are tangible benefits of leveraging a single environment that are not quantified, but the intent of the table is to describe the shift of costs to the new environment, clarifying

<table>
<thead>
<tr>
<th>Eliminated Legacy Product</th>
<th>Replacing Microsoft Tool</th>
<th>Annual Cost of Legacy Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>WebEx</td>
<td>Teams</td>
<td>$21,000</td>
</tr>
<tr>
<td>Slack</td>
<td>Teams</td>
<td>$1,200</td>
</tr>
<tr>
<td>Airwatch</td>
<td>InTune</td>
<td>$7,900</td>
</tr>
<tr>
<td>R-Directory</td>
<td>Delve</td>
<td>$3,200</td>
</tr>
<tr>
<td>Metalogic ControlPoint</td>
<td>SharePoint Online</td>
<td>$9,500</td>
</tr>
<tr>
<td>Metalogic StoragePoint</td>
<td>SharePoint Online</td>
<td>$7,000</td>
</tr>
<tr>
<td>MPlus Archive for Exchange</td>
<td>Exchange Online</td>
<td>$21,000</td>
</tr>
<tr>
<td>McAfee email gateway</td>
<td>Exchange Online</td>
<td>$11,000</td>
</tr>
<tr>
<td>SPDocket</td>
<td>SharePoint Online</td>
<td>$5,200</td>
</tr>
<tr>
<td>Misc SharePoint tools</td>
<td>SharePoint Online</td>
<td>$5,000</td>
</tr>
<tr>
<td>Nintex Forms (drop in 2022)</td>
<td>PowerApps</td>
<td>$35,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$127,000</td>
</tr>
</tbody>
</table>

NOTE: All numbers are exclusive of sales tax.

**Intangible benefits:**
- Accelerated migration to Microsoft Teams ahead of the pandemic likely avoided >$10M in lost work time by preventing furlough of office workers.
- Enterprise mobility gives much greater access to business data from anywhere without VPN
- We avoid replacement of all the hardware required to operate the legacy on-premise servers
- Real-time shared document editing helps improve overall efficiency
- Replaced the legacy Travel Database with PowerApps
- Replaced Buyers Report with PowerApps
- Enabled migration of CMApp to Contracts365
- Enables single sign-on in cloud partner environments for improved usability and security
- Enables IT to perform higher order work

The migration to cloud hosted services is the primary delivery model for Microsoft products going forward. While adding a subscription does require a 12-month commitment, those subscriptions are transferable. Further, unneeded subscriptions can be reduced annually as business conditions change.

**Recommendation:**
Commission approval to award Contract No. 430-10632 to CDW Government, Inc. for a three-year renewal of the Microsoft Enterprise Agreement.
Legal Review: See attached e-mail(s).
**PUD No. 2 of Grant County, WA**  
**PO Box 878**  
**30 C ST SW**  
**Ephrata WA 98823**  

**Vendor:** CDW GOVERNMENT INC  
230 N MILWAUKEE AVE  
VERNON HILLS IL 60061

**Ship To:**  
154 A ST SE  
EPHRATA WA 98823

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**Contract / Quote No.** LQJS402  
^ Changed Since the Previous Revision

<table>
<thead>
<tr>
<th>Ship To:</th>
<th>PO430-10632</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date:</td>
<td>9/22/2020</td>
</tr>
</tbody>
</table>

<table>
<thead>
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<th>Payment Terms</th>
<th>Confirm With</th>
<th>Page</th>
</tr>
</thead>
<tbody>
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<td>NET30</td>
<td>Haleigh Byrnes</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>L/N</th>
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<th>Bin</th>
<th>Req. Date</th>
<th>U/M</th>
<th>Ordered</th>
<th>Unit Price</th>
<th>Ext. Price</th>
<th>Requested by</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>MS9870</td>
<td></td>
<td>8/31/2021</td>
<td>EA</td>
<td>457,345.84</td>
<td>$1.00</td>
<td>$457,345.84</td>
<td>Sam Lamb</td>
</tr>
<tr>
<td></td>
<td>Microsoft Component Enterprise Agreement. Year 1: Term Upon Execution - 8/31/2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NO FREIGHT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NASPO ADSPO16-130652</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Terms &amp; Conditions per:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WA DES Master Contract #06016, and</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>MS Volume Licensing Agreement #6564327</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 2   | MS9870      |     | 8/31/2022 | EA  | 457,345.84 | $1.00      | $457,345.84 | Sam Lamb     |
|     | Microsoft Component Enterprise Agreement. Year 2. Term: 9/1/2021 to 8/31/2022 |
|     | NO FREIGHT |
|     | NASPO ADSPO16-130652 |
|     | Terms & Conditions per: |
|     | WA DES Master Contract #06016, and |
|     | MS Volume Licensing Agreement #6564327 |

| 3   | MS9870      |     | 8/31/2023 | EA  | 457,345.84 | $1.00      | $457,345.84 | Sam Lamb     |
|     | Microsoft Component Enterprise Agreement. Year 3. Term: 9/1/2022 to 8/31/2023 |
|     | NO FREIGHT |
|     | NASPO ADSPO16-130652 |
|     | Terms & Conditions per: |
|     | WA DES Master Contract #06016, and |
|     | MS Volume Licensing Agreement #6564327 |

**Subtotal** $1,372,037.52

**Tax** $115,251.15

**Order Total** $1,487,288.67

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**Kristin Fleisher 509-793-1542**

**Authorized**

All shipments, shipping papers, invoices and correspondence must be identified with our Purchase Order Number. Overshipments will not be accepted unless authorized by Buyer prior to shipment. This Purchase Order is subject to Grant PUD's Terms and Conditions.

Warehouse Receiving Hours: Monday - Thursday, 6:30 AM - 12:00 PM & 12:30 PM - 3:30 PM.
Motion was made by __________ and seconded by __________ authorizing the General Manager/CEO, on behalf of Grant PUD, to bind 2020-2021 property and liability policy renewals through Grant PUD’s insurance broker Beecher Carlson with estimated premiums totaling $2,405,751.00.
DATE: October 21, 2020
TO: Kevin Nordt, CEO
VIA: Jeffrey Bishop, Chief Financial Officer
FROM: Paul Dietz, Manager, Enterprise Risk Management
SUBJECT: 2020-2021 Insurance Renewals

Overview
The District renews its property and liability replacement value insurance coverage annually November 1st. The District’s insurance broker, Beecher Carlson, is currently engaged in marketing for the District’s insurance coverage and will provide a proposal detailing quoted premiums for the District’s various insurance policies. Several factors are discussed below that will have an effect on the quoted premiums for insurance coverage based on current market trends. Significant changes to the District’s property values are noted below. Further, the District’s Risk department is requesting your approval to allow Kevin Nordt, CEO, to make the final approval for binding insurance coverages.

Discussion
The total premiums for insurance coverage for the 2019-2020 insurance renewals totaled $2,136,078 as quoted to replace the 2018-2019’s coverage, this represented a roughly 14.85% increase. Although the Risk department was expecting significant increases (15-25%) for property and some liability coverages based on market trends, the District is currently quoted for an estimated insurance renewal total cost of $2,405,751 which is a 12.62% increase.

The increase in premiums across the market is attributed to several market trends and factors. The first factor being overall hard market conditions resulting from large claim pay-outs, business interruptions contributed to COVID-19, and increased property losses due to natural disasters. Secondly, market conditions have tightened specifically in the global power industry due to continued loss in the sector, income constraints imposed on underwriters, and withdrawal of some insurers in the class. Lastly, the District’s loss history from the previous years will likely have a negative impact on premiums as well. It is worth noting that the District is being perceived as less risky than other utilities in the market and the current quotes are indicative of the District’s commitment to safety and improvement.

The following table outlines the estimated pricing for coverage for the 2020-2021 based on quoted amounts received to date (still subject to change with further negotiation):

<table>
<thead>
<tr>
<th>Policy</th>
<th>Carrier(s)</th>
<th>Deductible</th>
<th>Coverage Limit</th>
<th>2019 Premium</th>
<th>Est 2021 Premium</th>
<th>Difference**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>Multiple</td>
<td>$2.5M</td>
<td>$200M</td>
<td>$1,223,164</td>
<td>$1,435,954</td>
<td>$212,790</td>
</tr>
<tr>
<td>Directors &amp; Officers</td>
<td>AEGIS</td>
<td>$500K</td>
<td>$10M</td>
<td>$63,819</td>
<td>$75,703</td>
<td>$11,884</td>
</tr>
<tr>
<td>Excess Liability - 1st Layer</td>
<td>AEGIS</td>
<td>$2M</td>
<td>$35M</td>
<td>$640,034</td>
<td>$698,172</td>
<td>$58,138</td>
</tr>
<tr>
<td>Excess Liability - 2nd Layer</td>
<td>EIM</td>
<td>$25M</td>
<td>$119,809</td>
<td>$128,196</td>
<td>$8,387</td>
<td></td>
</tr>
<tr>
<td>Fiduciary Liability</td>
<td>AEGIS</td>
<td>$10K</td>
<td>$10M</td>
<td>$20,500</td>
<td>$20,500</td>
<td>$0</td>
</tr>
</tbody>
</table>
With the increase of cyber-related crimes against companies and the critical infrastructure of Grant, the District is currently considering adding Cyber coverage to the 2020-2021 insurance renewals which will shift some of the risk in the event of a cyber-attack to our insurers. Due to the prevalence of cyber-attacks, many liability policies have begun to exclude cyber coverage; the District’s current excess liability policy does exclude any loss, damage, cost, or expense caused by a cyber incident. In the event of a cyber-attack, the District could recover some of the following costs: digital asset losses, business interruption (in the event our systems become compromised), cyber extortion, intellectual property liability, breach responses, and network security and privacy.

The District has currently received the following quotes from Lloyds of London and is expected to receive a quote for coverage from AEGIS with comparable rates. The District could receive a $7,500 continuity credit if procuring cyber coverage from AEGIS as this will be the fourth policy with AEGIS.

<table>
<thead>
<tr>
<th>Policy</th>
<th>Carrier(s)</th>
<th>Deductible</th>
<th>Coverage Limit</th>
<th>Est 2021 Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyber</td>
<td>AEGIS</td>
<td>$75K</td>
<td>$5M</td>
<td>$75,000</td>
</tr>
<tr>
<td>Cyber</td>
<td>Lloyds of London</td>
<td>$75K</td>
<td>$10M</td>
<td>$43,870</td>
</tr>
</tbody>
</table>

Because the District uses replacement value insurance, its Statement of Values (SOV) must be reviewed, updated, and submitted annually to procure property insurance coverage from the market. Risk contacted stakeholders for each of the listed classes of assets for review of the asset replacement values in their respective areas, with the results of this process summarized in Table 1. In many cases, annually updated factors (dependent on the asset class) have been applied to the prior year’s value for each respective asset, with the factors sourced from Marshall Swift, BUREC, and Handy Whitman indices.

The largest portion of the District’s coverage is in our property insurance premiums. The value of the District’s property portfolio increased 1.52% from last year’s reported values based on the below changes. The most significant changes in this year’s property values are in coverage for fiber huts and mobile equipment (vehicles). While evaluating risks and probability of lost property, the Risk Department recommended to only cover fiber huts in the Ephrata flood zone. Given the District’s $2.5M self-insured retention, it is not prudent to include the additional fiber huts due to the widespread location of the huts and the low likelihood of losing enough fiber huts to meet our self-insured retention. Additionally, due to the location of district vehicles and the relatively low replacement values, any vehicle with a replacement value of less than $100,000 was removed from coverage. Any losses for property not included in the District’s SOV is to be covered by the District’s self-insured retention.
Table 1. Changes to asset values, by class, for inclusion in the District's property coverage.

<table>
<thead>
<tr>
<th>Location</th>
<th>Description of Changes</th>
<th>2019 Value</th>
<th>2020 Value</th>
<th>Change in Value</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro/Dams</td>
<td>Wanapum Dam reflects the largest increase for Hydro with the final replacement of the spillway gates, continued replacement of generators, and the complete reroof of the powerhouse. Priest Rapids saw increases for the continued improvements on the spillway control panels, new control systems, and the continued replacement of the turbine/generators.</td>
<td>$2.424B</td>
<td>$2.480B</td>
<td>$56.2MM</td>
<td>2.32%</td>
</tr>
<tr>
<td>Substations</td>
<td>Values increased due to substation upgrades at multiple locations.</td>
<td>$309.4MM</td>
<td>$315MM</td>
<td>$5.6MM</td>
<td>1.82%</td>
</tr>
<tr>
<td>Service Centers/Warehouse</td>
<td>Increased valued reflect changes in inventory.</td>
<td>$113MM</td>
<td>$113.8MM</td>
<td>$818K</td>
<td>0.72%</td>
</tr>
<tr>
<td>Office Buildings</td>
<td>Modeled trend applied, no significant changes.</td>
<td>$40.43MM</td>
<td>$40.47MM</td>
<td>$46K</td>
<td>0.11%</td>
</tr>
<tr>
<td>Residential</td>
<td>Values increased based on current housing price index values to reflect replacement value.</td>
<td>$7.2MM</td>
<td>$7.36MM</td>
<td>$144K</td>
<td>2%</td>
</tr>
<tr>
<td>Recreation/Cultural</td>
<td>New office building on Crescent Bar.</td>
<td>$42.5MM</td>
<td>$42.7MM</td>
<td>$200K</td>
<td>0.47%</td>
</tr>
<tr>
<td>Hatcheries/Fish Acclimation</td>
<td>Modeled trend applied, no significant changes.</td>
<td>$34.3MM</td>
<td>$34.38MM</td>
<td>$87K</td>
<td>0.26%</td>
</tr>
<tr>
<td>Fiber Huts</td>
<td>Based on thorough analysis, all fiber huts were removed from property coverage, excluding those located in the flood zone.</td>
<td>$14.3MM</td>
<td>$1MM</td>
<td>$-13.4MM</td>
<td>-93.03%</td>
</tr>
<tr>
<td>Switchyards/Radio Sites</td>
<td>Modeled trend applied, no significant changes.</td>
<td>$25.6MM</td>
<td>$26.3MM</td>
<td>$781K</td>
<td>3.05%</td>
</tr>
<tr>
<td>Mobile Equipment</td>
<td>All passenger vehicles removed and any vehicle under $100,000 in value.</td>
<td>$16.9MM</td>
<td>$12.6MM</td>
<td>$-4.3MM</td>
<td>-25.71%</td>
</tr>
<tr>
<td>Mobile Substations</td>
<td>No changes.</td>
<td>$3.25MM</td>
<td>$3.25MM</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Fine Arts</td>
<td>No changes.</td>
<td>$1.75MM</td>
<td>$1.75MM</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Property Portfolio Changes:</strong></td>
<td></td>
<td><strong>$3.033B</strong></td>
<td><strong>$3.079B</strong></td>
<td><strong>$46.2MM</strong></td>
<td><strong>1.52%</strong></td>
</tr>
</tbody>
</table>

**Conclusion and Recommendations**

As discussed above, we are estimating an approximate 12.62% premium increases for the upcoming year, which is far less than what the District was originally estimating based on market factors. Although we do not know the final total premium, we feel that this is a fair estimate. We will not have final figures until the end of October; therefore, we are requesting approval to allow Kevin Nordt, CEO, to make the final approval for binding insurance coverages so the District can meet the deadline of November 1, 2020. Furthermore, as invoices for premiums are received, we request approval to allow Kevin Nordt, CEO, to authorize payment to complete the renewal process. The Commission will be informed of the final insurance renewal premiums after binding coverage is complete.
RESOLUTION NO. XXXX

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 170-10303, FOR SUPPLYING 15kV POWER CIRCUIT BREAKERS

Recitals

1. Bids were publicly opened on September 16, 2020 for Contract 170-10303, for Supplying 15kV Power Circuit Breakers;

2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD’s staff;

   • General Pacific, Inc. bidding Siemens $6,304,335.00
   • Meyers Controlled Power, LLC $7,224,135.00
   • Mitsubishi Electric Power Products, Inc. $7,341,250.00
   • Wesco Distribution Co. bidding ABB $8,140,905.00

3. The District’s Power Delivery engineers, in accordance with the Bid Evaluation criteria contained in the contract documents, have applied evaluation factors for total cost of ownership and delivery requirements which were intended to compare the bids fairly:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Original Total Bid Price</th>
<th>Evaluated Total Bid Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Pacific, Inc. bidding Siemens</td>
<td>$6,304,335.00</td>
<td>$6,736,564.00</td>
</tr>
<tr>
<td>Meyers Controlled Power, LLC</td>
<td>$7,224,135.00</td>
<td>$8,125,295.00</td>
</tr>
<tr>
<td>Mitsubishi Electric Power Products, Inc.</td>
<td>$7,341,250.00</td>
<td>$7,530,472.00</td>
</tr>
<tr>
<td>Wesco Distribution Co. bidding ABB</td>
<td>$8,140,905.00</td>
<td>$8,140,905.00</td>
</tr>
</tbody>
</table>

4. The low Bid submitted by General Pacific, Inc. bidding Siemens is commercially and technically non-compliant;

5. The second low Bid submitted by Meyers Controlled Power, LLC. becomes the third low Bid when the evaluation factors are applied;

6. The third low bid, submitted by Mitsubishi Electric Power Products, Inc. is both commercially and technically compliant with Grant PUD’s contract requirements;

7. The bid is less than the Engineer’s Estimate of $8,663,812.50; and

8. Grant PUD’s Senior Manager of Power Delivery and Managing Director of Power Delivery concur with staff and recommend award to Mitsubishi Electric Power Products, Inc. as the lowest responsible and best bid based on Grant PUD’s plan and specifications.
NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 170-10303, for Supplying 15kV Power Circuit Breakers with Mitsubishi Electric Power Products, Inc. of Warrendale, Pennsylvania in the amount of $7,341,250.00 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD’s Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 10th day of November, 2020.

______________________________
President

ATTEST:

______________________________  ________________________________
Secretary                      Vice President

______________________________  ________________________________
Commissioner                   Commissioner
MEMORANDUM

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Richard Wallen, Chief Operations Officer
Jeff Grizzel, Managing Director of Power Delivery
Jesus Lopez, Senior Manager of Power Delivery Engineering
Trung Tran, Manager Engineering

FROM: Angel Barahona-Sanchez, Electrical Engineer

SUBJECT: Award of Contract 170-10303 for Supplying 15kV Power Circuit Breakers

Purpose: To request Commission approval to award Contract 170-10303 to Mitsubishi Electrical Power Products, Inc. (MEPPI) to supply 15kV power circuit breakers for a not-to-exceed contract price of $7,341,250.00 plus sales tax.

Discussion: The purpose of Contract 170-10303 is to provide the District with a means of procuring 15kV power circuit breakers.

Currently, the District has no contract in place for supplying 15kV power circuit breakers. Contract 170-3953 was the last 15kV power circuit breaker contract the District had in place, and it expired December 31, 2018. The delay in the replacement contract was due to its dependence on a protection and control scheme modernization project that was underway as well as sufficient breaker availability in stock for planned projects.

The District allowed two and a half weeks for potential bidders to respond following advertisement. Bid submittals were required by September 15, 2020 and a virtual bid opening via Microsoft Teams was held on September 16, 2020. The District received the following four bids from different bidders:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Initial Unevaluated Total Bid Price</th>
<th>Evaluated Total Bid Price*</th>
<th>Technically Compliant</th>
<th>Commercially Compliant</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Pacific bidding Siemens</td>
<td>$6,304,335.00</td>
<td>$6,736,564.00</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>MEPPI</td>
<td>$7,341,250.00</td>
<td>$7,530,472.00</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Meyers Controlled Power, LLC (Meyers)</td>
<td>$7,224,135.00</td>
<td>$8,125,295.00</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Wesco Distribution Co. bidding ABB</td>
<td>$8,140,905.00</td>
<td>$8,140,905.00</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

* Evaluated Total Bid Price used for life cycle cost comparison purposes only as described in Contract 170-10303 Financial Considerations section

Contract 170-10303 was structured to meet current customer service requests and anticipated growth over the next five years. Upon award of the contract, the District shall be committed to purchase forty-four 15kV power circuit breakers for reconstruction at approved substation projects included in the Design Build 2 program. These substation projects are Burke, Royal, South Ephrata, Baird Springs and Red Rock Substations. The District shall have the option, but not be obligated, to purchase additional 15kV power
circuit breakers specified in the Bid Form via purchase order through the term of the contract, which expires on December 31, 2025.

The District elected to require bidders proposed manufacturing facilities be located on the North American continent. This reduces the exposure of global supply chain interruptions to the District. Procurement, Legal, and Power Delivery Engineering evaluated the bids for contract compliance, acceptance of the District’s warranties, delivery, total cost of ownership, and unit cost.

A team from Power Delivery Engineering and Construction & Maintenance performed pre-award audits of the MEPP!‘s and Meyers Plants. MEPP! has its plant located in Pennsylvania, USA. Meyers has its plant located in Ohio, USA. Both pre-award audits were conducted virtually. District staff used the audits to confirm the bidder’s capabilities to competently produce and deliver 15kV power circuit breakers by ascertaining its manufacturing, logistics, supply chain, testing, and engineering processes as well as its overall safety and health culture.

The evaluation concluded that the lowest-cost evaluated, commercially and technically compliant bidder is MEPP!

**Justification:** The District uses 15kV power circuit breakers in District substations to protect downstream equipment from damage. The District’s distribution substation designs require a minimum of three 15kV power circuit breakers per power transformer lineup. Additional 15kV power circuit breakers are dependent on the number of distribution circuits sourced at the substation.

The District requires purchasing of 15kV power circuit breakers to meet customer requests for additional electrical service at new and existing substations. The first twelve 15kV power circuit breakers shall be placed into service at Burke Substation as part of reconstructing and expanding this aging substation in support of growth forecasted in the area. Thirty-two 15kV power circuit breakers shall be placed into service as part of other Design Build 2 substation projects. Costs of these first forty-four 15kV power circuit breaker purchases are budgeted in the 2021/2022 Capital Plan.

Due to forecasted load growth over the next five plus years, the District anticipates the need of one hundred seventy-five 15kV power circuit breakers. By establishing a not-to-exceed contract price of $7,341,250.00, the District can respond efficiently to customer needs as they arise by issuing purchase orders, rather than going through the lengthy change order process for each additional purchase. This contract model has precedent and proved effective over the past ten years as the District has experienced rapid electric system growth.

**Financial Considerations:** The Engineer’s estimate for Contract 170-10303 is $8,663,812.50. The initial unevaluated total bid price, evaluated total bid price, technical and commercial compliance to the District’s contract terms for each bidder are listed in the table above.

The initial unevaluated total bid prices are the actual costs comprised from the total Bid Items, which includes one hundred seventy-five 15kV power circuit breakers. Evaluated total bid prices incorporate the following additional life-cycle cost considerations:

- A cost adder should the Bidder propose a delivery later than those listed in Section SR-2
- Cost adders for Bidders that propose supplying 15kV power circuit breakers deviating from District standards listed in Contract Documents Section ITB-7
• A cost adder should the Bidder not conduct the tests specified in Technical Specifications Section 3.13.9
• A cost adder for total cost of ownership to maintain the breaker over its expected life as described in Contract Documents Instructions to Bidders Section 7.L

MEPPI is the second lowest initial unevaluated total bid price among the three commercially and technically compliant bids. Its initial unevaluated total bid price is $7,341,250.00 and its evaluated total bid price is $7,530,472.00. Upon award of the contract, the District shall be obligated to purchase seven 15kV power circuit breakers of Bid Item 1 and thirty-seven 15kV power circuit breakers of Bid Item 2 for a cost of $1,845,800.00.

<table>
<thead>
<tr>
<th>Bid Item Number</th>
<th>Voltage (KV)</th>
<th>Current (Amps)</th>
<th>Control Voltage (DC)</th>
<th>Design Type</th>
<th>UnEvaluated Bid Price</th>
<th>Previous Contract 170-3953</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15</td>
<td>2000</td>
<td>48</td>
<td>Main</td>
<td>$41,950.00</td>
<td>$40,144.00</td>
</tr>
<tr>
<td>2</td>
<td>15</td>
<td>2000</td>
<td>48</td>
<td>Feeder</td>
<td>$41,950.00</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>15</td>
<td>2000</td>
<td>125</td>
<td>Main</td>
<td>$41,950.00</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>15</td>
<td>2000</td>
<td>125</td>
<td>Feeder</td>
<td>$41,950.00</td>
<td></td>
</tr>
</tbody>
</table>

The District has the option, but is not obligated, to purchase an additional one-hundred thirty-one 15kV power circuit breakers over the five-year contract term. The total contract provides for purchase of up to one-hundred seventy-five power circuit breakers with a not-to-exceed price of $7,341,250.00.

**Contract Specifics:** Contract 170-10303 contains four bid items consisting of 15kV power circuit breakers of different control voltages and design types. The contract also has an Additive Bid Item for a four-year extended warranty per 15kV power circuit breaker which the District may execute as it deems necessary. Power Delivery Engineering estimates a need for as many as one-hundred seventy-five 15kV power circuit breakers during the five-year contract term. The District shall be obligated to purchase a minimum of forty-four 15kV power circuit breakers, with twelve to be delivered between March and April 2021 and the other thirty-two by August 2021. Any additional 15kV power circuit breaker purchases shall only be dependent on the needs of the District. Bidders are required to have their proposed manufacturing plants located on the North American continent. They must also meet minimum power circuit breaker manufacturing experience requirements and possess International Organization for Standardization (ISO) quality manufacturing certification. The contract specifies standard criteria for bid evaluation.

Commercial terms are set by the District’s Procurement department in consultation with the Risk department. These commercial terms are intended to mitigate District liability and reduce its risk exposure by setting commercial terms all bidders must agree with in order to be deemed compliant.

**Recommendation:** Recommend Commission awarding Contract 170-10303 Supplying Power circuit breakers to Mitsubishi Electric Power Products, Inc. for a not-to-exceed contract price of $7,341,250.00, plus sales tax.

**Legal Review:** See attached e-mail(s).
Looks good. I approve.

From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Tuesday, October 13, 2020 7:14 AM
To: Trung Tran <Ttran@gcpud.org>; Jesus Lopez <Jlopez@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>
Cc: Angel Barahona-Sanchez <Abaraho@gcpud.org>; Darlene Brooks <Dbrooks@gcpud.org>; Sharon Lucas <Slucas@gcpud.org>; Dan Niehenke <Dniehenke@gcpud.org>; Chris Johnson <Cjohnson@gcpud.org>
Subject: FW: 170-10303 - Supplying 15kV Power Circuit Breakers - Legal review of Commission memo and resolution

Good morning,

We have Procurement & Legal approval to proceed. Since we are working remotely please provide your emailed approval of the attached Commission Memo which will serve as initialing the Memo. Once we have approval from the three of you, I will move all necessary materials to the Commission Packet. Thank you.

Regards,

Patrick Bishop
Procurement Officer

OFFICE 509.793.1556
EMAIL pbishop@gcpud.org

grantpud.org

From: Carol Mayer <Cmayer@gcpud.org>
Sent: Monday, October 12, 2020 6:12 PM
To: Patrick Bishop <Pbishop@gcpud.org>
Subject: Re: 170-10303 - Supplying 15kV Power Circuit Breakers - Legal review of Commission memo and resolution

You have contract and legal approval for submission into the Commission packet.

Carol Mayer
Manager Procurement/Warehouse
From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Monday, October 12, 2020 4:45 PM
To: Mitchell Delabarre <Mdelaba@gcpud.org>
Cc: Carol Mayer <Cmayer@gcpud.org>
Subject: 170-10303 - Supplying 15kV Power Circuit Breakers - Legal review of Commission memo and resolution

Mitch,

PD Engineering has selected the third low Bid submitted by Mitsubishi Electric Power Products, Inc (MEPPI). The low Bidder, General Pacific bidding Siemens, is both commercially and technically noncompliant. When the evaluation factors established in ITB 7 are applied to the second low Bid, submitted by Meyers Controlled Power, their Bid becomes higher as compared to when the evaluation factors are applied to the MEPPI Bid. The MEPPI Bid is both commercially and mechanically compliant and they have passed a virtual audit performed this morning. The commercial evaluation, Commission Memo, draft Resolution, and Bid Tab can be found on the Commission Packet Documents tab here. Can these documents please be reviewed for submission to the Commission Packet? Please let me know if you have any questions. Thank you.

Regards,

Patrick Bishop
Procurement Officer
I approve. Thanks all.

Jesus

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Regards,

Patrick Bishop
Procurement Officer

grantpud.org
I approve.

Thank you,
Trung Tran

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Patrick Bishop
Procurement Officer

grantpud.org
### PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

#### TABULATION OF BIDS

Engineer’s Estimate: $170,000.00

**DESCRIPTION:**
Supplying 15kV Power Circuit Breakers

<table>
<thead>
<tr>
<th>ITEM</th>
<th>QTY</th>
<th>UNIT COST</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>25</td>
<td>$38,826.00</td>
<td>$920,650.00</td>
</tr>
<tr>
<td>2</td>
<td>125</td>
<td>$35,859.00</td>
<td>$4,482,375.00</td>
</tr>
<tr>
<td>3</td>
<td>5</td>
<td>$36,826.00</td>
<td>$184,130.00</td>
</tr>
<tr>
<td>4</td>
<td>20</td>
<td>$35,859.00</td>
<td>$717,180.00</td>
</tr>
</tbody>
</table>

**CONTRACT DOCUMENT NO.:** 170-10303

**BID OPENING DATE/TIME:** 9/16/2020 - 2:00 P.M.

**ESTIMATE:** $8,663,812.50

<table>
<thead>
<tr>
<th>ITEM</th>
<th>QTY</th>
<th>UNIT COST</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add 1</td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Add 2</td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Add 3</td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Add 4</td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

**Totals:** $6,304,335.00 $7,224,135.00 $7,341,250.00 $8,140,905.00

**Commercially noncompliant**
## COMMERCIAL EVALUATION

<table>
<thead>
<tr>
<th>Contract No.:</th>
<th>170-10303</th>
<th>Contract Title:</th>
<th>Supplying 15kV Power Circuit Breakers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bid Opening Date</strong></td>
<td>September 15, 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total No. of Bidders:</strong></td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Was prequalification required for bidding?</strong></td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>No. of potential Bidders notified via ProcureWare of Bid opportunity:</strong></td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total No. of Bidders who obtained the Bid documents:</strong></td>
<td>52</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Was this Bid advertised in the newspaper?</strong></td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If yes, where?</strong></td>
<td>Spokane &amp; Grant County, WA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Addenda issued?</strong></td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If yes, how many</strong></td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Additional Information

- **Cost Estimate:** $8,663,812.50

### Bidders

<table>
<thead>
<tr>
<th>Name of Bidder:</th>
<th>General Pacific, Inc. bidding Siemens</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Bid Price:</strong></td>
<td>$6,304,335.00</td>
</tr>
<tr>
<td><strong>Evaluated Bid Price:</strong></td>
<td>$6,736,564.00</td>
</tr>
<tr>
<td><strong>Bid Security:</strong></td>
<td>Bid Bond</td>
</tr>
<tr>
<td><strong>Delivery / Completion:</strong></td>
<td>As required</td>
</tr>
<tr>
<td><strong>Addendum Received:</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Bidder's Data Provided:</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Commercially Compliant?</strong></td>
<td>No (see below)</td>
</tr>
<tr>
<td><strong>Technically Compliant?</strong></td>
<td>No (see add'l information)</td>
</tr>
</tbody>
</table>

### Additional Information:

- On Supplemental Bid Data Sheet VIII Bidder states that “this offer includes technical field assistance and training to be provided by Siemens”. Bidder goes on to quote additional training at $16,237.00 escalated 3% annually.
  - Under Clarifications of the technical field assistance attachment Bidder has a statement that “Siemens will bill month for services provided”. The training is to be included with the purchase of the circuit breakers as Siemens is not listed in Section 2.08.3 of the Technical Specifications.
  - There are additional charge details throughout the document.
  - Later Bidder states “Siemens has offered field commission and training as a separate price adder”.  

- Bidder has a “Restricted Information” clause with their Bid that limits disclosure. ITB 16 details that the District is subject to public disclosure laws and a Bid submitted is subject to the same laws.
- Bidder lists as a Clarification referencing Section SR-2 and then states “Per comment #24”. Comment #24 is discussing breaker limiting dimensions on the Contract Drawings.
- Bidder lists as a Clarification/Deviation that the Witness Costs in Section SR-9 are a price adder. Bidder also states that customer is responsible for “travel, meals and accommodation”. These prices are to be included with the Bid. Bidder states on the Bid Form that under “Amount included in Bid for Witness Costs” $2,500 for first day and $1,000 for each day thereafter.
- Bidder lists as a Clarification/Deviation a fixed price escalation of 2.5% in lieu of the District’s Section SR-10 Price Adjustment clause.
- Bidder states that payment is due upon shipment or if the units need to be stored at customer request. These terms conflict with Section GC-11.
- Bidder has included a Cancellation Schedule detailing the percentage due from the customer based on five milestones. This schedule conflicts with Section GC-3.
- Bidder states on their “Comments and clarifications” document that “This document and any other document specifically referred to as being a part hereof constitute the entire agreement on the subject matter, and shall not be modified except in writing signed by both parties”. This statement will require clarification. Is “this document” still part of Supplemental Bid Data Sheet X?
- Bidder states in their “Comments and clarifications” document “Insurance endorsements, bonds and all other forms of surety, if required, shall be provided in accordance with Siemens guidelines using Siemens standard forms and rates”. GC-19 details the insurance requirements and the District’s supplied Exhibit D, Payment & Performance Bond is to be used.
- Bidder states in there “Comments and clarifications” document (paraphrase) “if required, the affects of COVID-19 allows Siemens relief from obligations in schedule, price, or any other reasonable required adjustment of this offer”.

<table>
<thead>
<tr>
<th>Name of Bidder:</th>
<th>Meyers Controlled Power, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Bid Price:</td>
<td>$7,224,135.00</td>
</tr>
<tr>
<td>Evaluated Bid Price:</td>
<td>$8,125,295.00</td>
</tr>
<tr>
<td>Bid Security:</td>
<td>Bid Bond</td>
</tr>
<tr>
<td>Delivery / Completion:</td>
<td>No (see add'l information)</td>
</tr>
<tr>
<td>Addendum Received:</td>
<td>N/A</td>
</tr>
<tr>
<td>Bidder's Data Provided:</td>
<td>Yes</td>
</tr>
<tr>
<td>Commercially Compliant?:</td>
<td>Yes</td>
</tr>
<tr>
<td>Technically Compliant?:</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Additional Information:

- Bidder includes document Q0001341 (Rev. 0). Bidder states “In order to meet the specified Delivery Date for the initial March 2021 Delivery, an Order must be received by October 15th 2020,” Bidder also notes this stipulation on Supplemental Bid Data Sheet X. Approval to award will need to come from the District’s Commission and an order cannot be issued by this date. Bidder did mark “Yes” to both delivery confirmations on the Bid Form. Bidder has clarified that the initial delivery will take 24-26 weeks upon receipt of order. With an anticipated initial order date of approximately November 16, 2020, this will be the only commercial term that does not meet the District’s requirements.
- Bidder notes that costs associated with Section SR-9 are $553.00 per person, per trip.
- On Supplemental Bid Data Sheet VII, Bidder states the is “60 months from date of Shipment with the terms of the warranty as described in Contract Documents 170-10303 Sections GC-9 and SR-7”. The warranty is to be from “date of delivery to the District”. In clarification Bidder agrees to the District's language.
- On Supplemental Bid Data Sheet X, Bidder states that “all factory visits will be conducted after COVID-19 restrictions have been lifted”. Bidder offers and the District accepts virtual audits.

<table>
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<tr>
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<th>Mitsubishi Electric Power Products, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Bid Price:</td>
<td>$7,341,250.00</td>
</tr>
<tr>
<td>Evaluated Bid Price:</td>
<td>$7,530,472.00</td>
</tr>
<tr>
<td>Bid Security:</td>
<td>Bid Bond</td>
</tr>
<tr>
<td>Delivery / Completion:</td>
<td>No (see add'l information)</td>
</tr>
<tr>
<td>Addendum Received:</td>
<td>N/A</td>
</tr>
<tr>
<td>Bidder's Data Provided:</td>
<td>Yes</td>
</tr>
<tr>
<td>Commercially Compliant?:</td>
<td>Yes</td>
</tr>
<tr>
<td>Technically Compliant?:</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Bidder has attached a document to their Bid stating delivery of the initial order will be 20-24 weeks from receipt of order. It is unlikely Bidder can meet the first Required Delivery Date in Section SR-2 with this lead time. Bidder did mark “Yes” to both delivery confirmations on the Bid Form. Bidder has clarified that the initial order will have a 20 week lead time. With an anticipated initial order date of approximately November 16, 2020, this will be the only commercial term that does not meet the District’s requirements.

Bidder states on attached document under Terms, Conditions, Payment, and Warranty that “Payment is 10% Net 30 day. Our preference would be to use terms and conditions already in place between Grant County and MEPPI, if possible”. The bid documents for this contract are nearly identical to existing Grant PUD/ MEPPI Contract 170-06845. The Limitation of Liability clause added to the executed Contract Form for 170-06848 was added to GC-6 of 170-10303. Clarification confirms that MEPPI agrees to the District’s T&C’s.

Two versions of the above referenced document were submitted with the Bid. One version states that a Payment & Performance Bond will be issued for each purchase order. This is not a stipulation in ITB 15; only one Bond is required. Clarification confirms that one Payment & Performance Bond will be issued.

<table>
<thead>
<tr>
<th>Name of Bidder:</th>
<th>Wesco Distribution Company bidding ABB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Bid Price:</td>
<td>$8,140,905.00</td>
</tr>
<tr>
<td>Evaluated Bid Price:</td>
<td>$8,140,905.00</td>
</tr>
<tr>
<td>Addendum Received:</td>
<td>N/A</td>
</tr>
<tr>
<td>Commercially Compliant?</td>
<td>Yes</td>
</tr>
<tr>
<td>Bid Security:</td>
<td>Choose an item.</td>
</tr>
<tr>
<td>Delivery / Completion:</td>
<td>As required</td>
</tr>
<tr>
<td>Bidder’s Data Provided:</td>
<td>Yes</td>
</tr>
<tr>
<td>Technically Compliant?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

On Supplemental Bid Data Sheet VII, Bidder has attached the manufacturer’s warranty:

- Warranty states equipment is under warranty for 60 months after installation or 60 months after date of shipment, whichever first occurs. The District’s warranty language requires the warranty period to start upon date of delivery to the District.
- Warranty states new spare parts are under warranty for 12 months after date of shipment. The District’s warranty states from date of delivery to the District.

Bidder has added document QT-20-01851832.A, Commercial and Technical Tender dated 9/11/20. Document states it is valid through 10/11/2020. Bids are to be irrevocable for a period of 90 days following the Bid opening.

Bidder has added their own price escalation clause that conflicts with Section SR-10.

Bidder has incorporated their own Terms and Conditions which they state constitute the entire agreement between the two parties.

Bidder has responded to a clarification request and reversed all conflicting terms and conditions noted above.
Motion was made by ___________ and seconded by _____________ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 6 to Contract 130-09537 with Oracle America, Inc., increasing the not-to-exceed contract amount by $448,240.00 for a new contract total of $6,952,452.83 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 6.
To: Kevin Nordt, General Manager/Chief Executive Officer

Via: Jeffrey Bishop, Chief Financial Officer
Dave Churchman, Chief Customer Officer

From: Derin Bluhm, Chief Technology Officer
Chris Roseburg, PMO Manager
Terry McKenzie, Senior Manager of Customer Solutions

Subject: Contract 130-09537, Change Order No. 6

Purpose: To request Commission approval of Change Order No. 6 for Contract 130-09537, Oracle to increase the contract amount by $448,240.00 for a not to exceed contract price of $6,952,452.83.

Discussion: An update on the Customer Information System (CIS) project status was presented to the Commission on September 22nd of this year. The group shared with the Commission a PowerPoint presentation that included the benefits, challenges, timeline impacts and the complexity of the Customer Cloud Services (CCS) project. The discussion centered on readiness to meet the targeted November 16th go-live date, with the importance of meeting the billing success dashboard.

The dashboard discussion focused on the key activities required for successful migration and go-live, moving from our current CIS, Oracle’s Customer Care & Billing (CC&B) to our new CIS, Oracle’s Customer Cloud Services (CCS). Those key activities include: data migration, testing (all the interfaces, processes, reports, batch processes and smart meter commands), ensuring quality by comparing the bills from CC&B and the output of those same bills from CCS, and finally ensuring readiness by ensuring users are aware of, trained on, and confident in the new solution and their ability to operate it.

The financial picture was reviewed with a primary go-live target of November 16 with a backup December 7 option. Authorization of funds required for the fallback date is included herein, though the team is diligently working to go live on November 16th. The funding to meet the November go live date could be completed within CXO/GM spending authority level. However, we will not know until closer to the November date whether we will need to change the go live date. The additional funding into December will exceed the $500k CXO/GM spending authority for cumulative change orders, and thus we are proactively requesting Commission approval.

Justification: Grant PUD selected Oracle Professional Services to configure and implement the CCS product, as the solution is new and Oracle is both the developer and the hosting entity for this new Software as a Solution (SaaS) product. The original Time and Materials (T&M) agreement with Oracle for Professional Services was approved as part of contract 130-09537 under PO130-09537-1 on 5/28/2019 for $3,235,774.00. This change order would bring the total increase of all change orders for professional services to $647,079.00 representing a total increase of 20%, considered to be within the expected reserve for a project of this magnitude and complexity. (See table at bottom of document)
We have executed a series of change orders to date as the project has progressed and additional support was needed to address skill set gaps, project activity gaps and resulting slides in the schedule requiring man-hour additions under the T&M agreement.

If this approval is not provided and the project is not completed in the November target go-live period, the project will run out of funding for critical Oracle support. The lack of funding would then require a submission of a new change order to the Commission in December with approximately 6 weeks of flow time before a vote by the Commission. As we are unable to commit funds without approval, Oracle would release the resources to other projects, disrupting the project cadence and team continuity.

The result would likely be a restart of the project to complete the final go-live push, with an ultimate go-live sometime in late Q1 of 2021. This would bring significant additional cost impacts, including change orders for Project Management through TMG Consulting. Further, additional delay would have significant impacts on staff morale as the project slides into the holiday season. Finally, resources needed to support other critical Technology Roadmap projects would be held for CCS, resulting in cascading delays to other projects.

**Financial Considerations:**

As discussed above, if the go live date is pushed back, then delaying approval of this change order would result in the deferral of the completion date to late Q1. Staff estimates the additional cost of such a delay would be in the range of $1.5M to $2.0M, including the cost of GPUD labor.

The Oracle change order shows only 4 amendments, while the GPUD procurement table shows six amendments. The difference is because there were no costs associated with the initial two changes and therefore the Service Table charges were not amended in the Oracle contract.

There are two separate services that the PUD contracted with Oracle. The first is for a seven-year hosting and licensing agreement, paid quarterly in arrears through the seven-year term. The second is for product implementation. The GPUD procurement table shows the total amount for both services, which were originally sourced under a single contract bus as two distinct purchase orders per Oracle’s requirements.

<table>
<thead>
<tr>
<th></th>
<th>Software Licensing</th>
<th>Product Implementation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Contract</td>
<td>$3,006,681.12</td>
<td>$3,235,774.00</td>
<td>$6,242,455.12</td>
</tr>
<tr>
<td>Amend 1</td>
<td>$32,678.71</td>
<td></td>
<td>$32,678.71</td>
</tr>
<tr>
<td>Amend 2</td>
<td>$30,240.00</td>
<td></td>
<td>$30,240.00</td>
</tr>
<tr>
<td>Amend 3</td>
<td></td>
<td>$198,839.00</td>
<td>$198,839.00</td>
</tr>
<tr>
<td>Amend 4</td>
<td></td>
<td>$448,240.00</td>
<td>$448,240.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,069,599.83</td>
<td>$3,882,853.00</td>
<td>$6,952,452.83</td>
</tr>
</tbody>
</table>

Change Order History: See attached change order table.

Legal Review: See attached email.
ORDERING DOCUMENT/EXHIBIT AMENDMENT FOUR

Customer Name: Public Utility District No. 2 of Grant County, Washington
Customer Address: 30 C Street SW
Ephrata, WA 98823

Oracle America, Inc.
500 Oracle Parkway
Redwood Shores, CA 94065

ORACLE CONTRACT INFORMATION

This ordering document/exhibit amendment amends the ordering document and/or exhibit(s) listed below and all ordering document/exhibit amendments thereto (the “ordering document”) between you and Oracle America, Inc. (“Oracle”).

The ordering document/exhibit is amended as follows:

A. AMENDMENT DETAILS

1. Ordering document US-8672345

You and Oracle hereby agree to amend the ordering document as follows:

a. Section A. SERVICES – Delete the Services table in its entirety and replace with the following:

<table>
<thead>
<tr>
<th>Services</th>
<th>Reference</th>
<th>Fees</th>
<th>Estimated Expenses</th>
<th>Total Fees and Estimated Expenses*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time and Materials Services</td>
<td>Exhibit 1</td>
<td>$2,816,680.00</td>
<td>$419,094.00</td>
<td>$3,235,774.00</td>
</tr>
<tr>
<td>Time and Materials Services</td>
<td>ODA 1</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Time and Materials Services</td>
<td>ODA 2</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Time and Material Services</td>
<td>ODA 3</td>
<td>$498,839.00</td>
<td>($300,000.00)</td>
<td>$198,839.00</td>
</tr>
<tr>
<td>Time and Material Services</td>
<td>ODA 4</td>
<td>$448,240.00</td>
<td>$0.00</td>
<td>$448,240.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$3,763,759.00</td>
<td>$119,094.00</td>
<td>$3,882,853.00</td>
</tr>
</tbody>
</table>

2. Exhibit: Exhibit 1

You and Oracle hereby agree to amend the exhibit as follows:

a. Section 3. Rates, Estimated Fees and Expenses, and Taxes, subsection E., Fees and Expenses. – Delete the second sentence in its entirety and replace it with the following:

“The fee estimate for labor performed under this exhibit is $3,763,759.00; the estimate for expenses is an additional $119,094.00.”

b. Section 3. Rates, Estimated Fees and Expenses, and Taxes. – Append the following to the end of the section as a new subsection:
“1. **United Kingdom Resource Rates**
   For a period of nineteen (19) months from the effective date of the ordering document, the Services described above will be provided at the rates set forth below. Thereafter, unless otherwise agreed by You and Oracle in writing, Services performed under this exhibit will be provided at Oracle’s standard consulting rates in effect when Services are performed.

<table>
<thead>
<tr>
<th>Consultant Level</th>
<th>Extended Hourly Rate (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 - Practice/Tech Director</td>
<td>$317.75</td>
</tr>
<tr>
<td>7 - Practice/Tech Manager</td>
<td>$242.50</td>
</tr>
<tr>
<td>6M - Managing Principal Consultant</td>
<td>$199.50</td>
</tr>
<tr>
<td>6T - Senior Principal Consultant</td>
<td>$199.50</td>
</tr>
<tr>
<td>5 - Principal Consultant</td>
<td>$178.25</td>
</tr>
<tr>
<td>4 - Senior Consultant</td>
<td>$136.25</td>
</tr>
</tbody>
</table>

B. **ADDITIONAL TERMS**

1. **Order of Precedence.**
   In the event of any inconsistencies between the ordering document and this ordering document/exhibit amendment, this ordering document/exhibit amendment shall take precedence.

2. **Other.**
   Subject to the modifications herein, the ordering document and applicable exhibit(s) shall remain in full force and effect.

This quote is valid through 15-OCT-2020 and shall become binding upon execution by you and acceptance by Oracle.

**Public Utility District No. 2 of Grant County, Washington**

**Oracle America, Inc.**

Authorized Signature: ___________________________  
Name: ___________________________  
Title: ___________________________  
Signature Date: ___________________________  
Ordering Document/Exhibit Amendment Effective Date: ___________________________  

*{To be completed by Oracle}*
## Change Order Table

**Contract Title:** Oracle America CCS Cloud Subscriptions

<table>
<thead>
<tr>
<th>CO#</th>
<th>Change Description</th>
<th>Approved by</th>
<th>Executed Date</th>
<th>Revised Completion Date</th>
<th>Cost Change Amount</th>
<th>Revised Contract Amount</th>
<th>Authority Level Tracking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Add Canadian Rate Classes and Adopt District Reimbursable language.</td>
<td>Senior/Plant Mgr</td>
<td>10/25/19</td>
<td>N/A</td>
<td>$0.00</td>
<td>$6,242,455.12</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Remove scope from tables 2 and 4, and then added hours for Oracles Assistance in process playbacks.</td>
<td>Dept Mgr</td>
<td>03/04/20</td>
<td>N/A</td>
<td>$0.00</td>
<td>$6,242,455.12</td>
<td>$0.00</td>
</tr>
<tr>
<td>3</td>
<td>Increase the Contract Price to add Additional Test Environment</td>
<td>Dept Mgr</td>
<td>07/09/20</td>
<td>N/A</td>
<td>$32,678.71</td>
<td>$6,275,133.83</td>
<td>$32,678.71</td>
</tr>
<tr>
<td>4</td>
<td>Increase the Contract Price to add 12 months of additional Dev Environment</td>
<td>Dept Mgr</td>
<td>08/05/20</td>
<td>N/A</td>
<td>$30,240.00</td>
<td>$6,305,373.83</td>
<td>$62,918.71</td>
</tr>
<tr>
<td>5</td>
<td>Increase the Contract Price for implementation</td>
<td>Executive Mgmt</td>
<td>08/20/20</td>
<td>N/A</td>
<td>$198,839.00</td>
<td>$6,504,212.83</td>
<td>$261,757.71</td>
</tr>
<tr>
<td>6</td>
<td>Increase the Contract Price for implementation</td>
<td>Comm</td>
<td>N/A</td>
<td></td>
<td>$448,240.00</td>
<td>$6,952,452.83</td>
<td></td>
</tr>
</tbody>
</table>

**Total Change Order Cost Change Amount:** $709,997.71
CCS Project
Commission Update

Dave Churchman – Executive Sponsor
Terry McKenzie – Business Unit Owner
Chris Roseburg – IT PMO Leader
Derin Bluhm – Technology Roadmap Owner
Agenda

- CCS Project Overview
- Enterprise Technology Roadmap
- MDM Benefits
- Zone of Uncertainty
- Project Challenges
- Success Dashboard
- Project Impacts
Oracle Utilities CCS Project Overview

Our Customer Information System (CIS) is a mission critical application used to bill all electrical and fiber services. Grant PUD is currently using version 2.4 of Oracle’s Customer Care & Billing (CC&B) product.

Opportunity:
- CC&B has not been upgraded since initial deployment in 2015 due to cost and complexity preventing access to product improvements
- Oracle ends Version 2.4 “Extended Support” on November 2020, discontinuing security, feature or regulatory patches for the product
- CCS includes Meter Data Management (MDM) solution that can interface with our current Advanced Metering Program (AMP)
- MDM allows us to validate customer demand, identify tamper, integrate field work for Customer Service Visibility, remote turn off, etc.

Initial Duration Estimate: 12 months (August 2020 Go-Live)

Key Roles:
- Team Grant: Customer Solutions, Power Delivery, IT and PMO
- Product Vendor: Oracle Utilities
- System Implementer / Project Management: TMG Consulting
Enterprise Technology Roadmap

The CCS project covers 5 separate strategic projects on the CCO portion of the Tech Roadmap in one focused effort.

<table>
<thead>
<tr>
<th>Year</th>
<th>Project Description</th>
<th>Budget</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Human Capital Mgmt Solution</td>
<td>$170K</td>
<td>3/2019</td>
</tr>
<tr>
<td>2019</td>
<td>CRM SharePoint Tool Enhancements</td>
<td>$138k</td>
<td>4/2019</td>
</tr>
<tr>
<td>2020</td>
<td>Oracle C2M Migration - CC&amp;B Upgrade</td>
<td>$427K</td>
<td>10/2020</td>
</tr>
<tr>
<td>2021</td>
<td>MDMS Implementation</td>
<td>$4.1M</td>
<td>11/2021</td>
</tr>
<tr>
<td>2022</td>
<td>CIS Functionality Assessment</td>
<td>$5.25M</td>
<td>10/2020</td>
</tr>
<tr>
<td>2023</td>
<td>AMP Integration with CIS</td>
<td>$7.7M</td>
<td>11/2020</td>
</tr>
</tbody>
</table>

- 5 Projects ~ $10M-$12M vs 1 Project ~ $8M
- **Significant cost reduction**
- **Benefits Delivered sooner**
Benefits of Meter Data Management (MDM)

Adding MDM gives new advance capabilities for analytics, fieldwork automation, customer service insights and more.

- The technological advances of AMI/MDM networks and meters will allow Grant PUD to collect richer data than ever before
  - Prior to MDM we received daily meter reads for billing
  - CCS provides 15 minute read data with Validation, Editing and Estimation (VEE)
- MDM enables advanced analytics to identify demand trends, equipment failure, tamper, etc.
- Remote disconnects will be fully automated using our Customer Information System (CIS)
- The MDM can aid in the early detection of meter tampering and energy theft by the analytics and functionality of:
  - Detect usage on inactive service points
  - Identify meters with excessively high number of tamper alarms
  - Detect meters with sudden increase/decrease in consumption
Project Estimation – “Zone of Uncertainty”

New product implementations have high inherent uncertainty and risk. We knew this was aggressive when we started.

**Key Schedule and Cost Drivers:**

- Product and Environment Readiness
- Partner and Staff Availability and Experience
- Planning Gaps – “We don’t know what we don’t know”
- Execution “misses”
Project Challenges

As expected, we have faced challenges to meet the aggressive timeframes with this new product implementation. The team has worked hard to mitigate the challenges and minimize the impacts.

COVID - “Didn’t see that one coming”

- Typically, we would want to pull the team into a “war room” to maximize communication, interpersonal support and information sharing to maintain focus and hold schedule.
- Cross-functional and group coordination requires more effort without proximity.
- Individual work environments have varying degrees of efficiency/availability

Resources

- Single threaded resources force work stream serialization
- Cultural preference to avoid impacting personnel planned time off

Early Adopter Challenges – All parties are learning as we go.

- Oracle is having to coordinate across multiple business units and is still stabilizing the platform, which has cost the project several weeks of delays.
- TMG resources are spread thin with 3 separate implementations in flight. Assigned PM and Test Manager roles have underperformed. Both were replaced.
- Grant PUD has no experience with MDM capabilities and operations which needed additional Power Delivery resources
Significant New Interface Complexity

New interfaces are required to enable field service, meter automation and finance automation benefits.
# Billing Success Dashboard

We have identified key success criteria to ensure our “go-live” delivers the required quality and benefits

<table>
<thead>
<tr>
<th>Event</th>
<th>Goal</th>
<th>Time Frame</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill Data Conversion</td>
<td>100% accuracy with allowable contingency plans. Fully audited and approved.</td>
<td>October 26, 2020</td>
</tr>
<tr>
<td>End to End Testing</td>
<td>Run Rate of 100% and Pass Rate of 95% and Run Rate of 100% with bugs that will be completed and tested by (date)</td>
<td>September 8 – October 5, 2020</td>
</tr>
<tr>
<td>Parallel Bill Testing</td>
<td>Run Rate of 100% and Pass Rate of 99.5%</td>
<td>August 31 – October 12, 2020</td>
</tr>
<tr>
<td>Interfaces</td>
<td>100% Complete and Tested</td>
<td></td>
</tr>
<tr>
<td>Change Management</td>
<td>90% Customer Service &amp; Field Crews Trained 100% Operational Readiness for Core Functions</td>
<td></td>
</tr>
</tbody>
</table>
Timeline Impacts

- **September Go-Live**
  - TMG Resources Added
  - TMG PM and Oracle PM replaced
  - Power Delivery Resources added
  - Decision to Target 9/21 as go-live

- **November Go-Live**
  - TMG Test Lead replaced, internal and external resources added
  - Parallel Billing and Quality Assurance vendors added
  - TMG PM and Oracle PM replaced
  - TMG Resources Added
## Cost Summary | Financial Impacts

### Go-Live 10/19/2020

<table>
<thead>
<tr>
<th>Total Implementation Costs</th>
<th>Oracle</th>
<th>TMG</th>
<th>Arch</th>
<th>Grant</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Per Contracts/CRs, Internal</td>
<td>$3,434,613</td>
<td>$1,290,180</td>
<td>$-</td>
<td>$1,637,757</td>
<td>$6,362,550</td>
</tr>
<tr>
<td>Spent to Date</td>
<td>(2,697,567)</td>
<td>(1,062,601)</td>
<td>(56,487)</td>
<td>(1,164,223)</td>
<td>(4,980,877)</td>
</tr>
<tr>
<td>Balance Available</td>
<td>737,046</td>
<td>227,579</td>
<td>(56,487)</td>
<td>473,534</td>
<td>1,381,673</td>
</tr>
<tr>
<td>Remainder as Forecasted</td>
<td>(729,097)</td>
<td>(303,320)</td>
<td>(162,906)</td>
<td>(573,778)</td>
<td>(1,769,101)</td>
</tr>
<tr>
<td>$ Favorable</td>
<td>(Unfavorable)</td>
<td>$7,949</td>
<td>$(75,741)</td>
<td>$(219,392)</td>
<td>$(387,428)</td>
</tr>
<tr>
<td>Total Implementation (As Forecasted)</td>
<td>$3,426,664</td>
<td>$1,365,921</td>
<td>$219,392</td>
<td>$1,738,001</td>
<td>$6,749,977</td>
</tr>
<tr>
<td>% overun from original contracts, Internal</td>
<td>5.9%</td>
<td>5.9%</td>
<td>N/A</td>
<td>6.1%</td>
<td>9.5%</td>
</tr>
</tbody>
</table>

### Go-Live 11/16/2020

<table>
<thead>
<tr>
<th>Total Implementation Costs</th>
<th>Oracle</th>
<th>TMG</th>
<th>Arch</th>
<th>Grant</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Labor</td>
<td>$254,410</td>
<td>$77,628</td>
<td>$84,626</td>
<td>$115,673</td>
<td>$532,336</td>
</tr>
<tr>
<td>$ Favorable</td>
<td>(Unfavorable)</td>
<td>$(246,460)</td>
<td>$(153,369)</td>
<td>$(304,018)</td>
<td>$(919,764)</td>
</tr>
<tr>
<td>Total Implementation (As Forecasted)</td>
<td>$3,681,073</td>
<td>$1,443,549</td>
<td>$304,018</td>
<td>$1,853,674</td>
<td>$7,282,314</td>
</tr>
<tr>
<td>% overun from original contracts, Internal</td>
<td>13.8%</td>
<td>11.9%</td>
<td>N/A</td>
<td>13.2%</td>
<td>18.1%</td>
</tr>
</tbody>
</table>

### Go-Live 12/7/2020

<table>
<thead>
<tr>
<th>Total Implementation Costs</th>
<th>Oracle</th>
<th>TMG</th>
<th>Arch</th>
<th>Grant</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Additional Labor</td>
<td>$178,515</td>
<td>$50,360</td>
<td>$79,626</td>
<td>$113,288</td>
<td>$421,789</td>
</tr>
<tr>
<td>$ Favorable</td>
<td>(Unfavorable)</td>
<td>$(424,976)</td>
<td>$(203,729)</td>
<td>$(383,643)</td>
<td>$(1,341,553)</td>
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<tr>
<td>Total Implementation (As Forecasted)</td>
<td>$3,859,589</td>
<td>$1,493,909</td>
<td>$383,643</td>
<td>$1,966,962</td>
<td>$7,704,103</td>
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<tr>
<td>% overun from original contracts, Internal</td>
<td>19.3%</td>
<td>15.8%</td>
<td>N/A</td>
<td>20.1%</td>
<td>25.0%</td>
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</tbody>
</table>

---

### Summary Results (Based on Original Contract Amounts)

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Net Present Value (NPV)</td>
<td>$6,436,879</td>
</tr>
<tr>
<td>Internal Rate of Return (IRR)</td>
<td>80.0%</td>
</tr>
<tr>
<td>Payback begins in Year</td>
<td>1</td>
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<tr>
<td>Profitability Index</td>
<td>3.90</td>
</tr>
<tr>
<td>Total 10-Year Cost</td>
<td>$13,017,200</td>
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</tbody>
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### Summary Results

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<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Net Present Value (NPV)</td>
<td>$6,042,684</td>
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<tr>
<td>Internal Rate of Return (IRR)</td>
<td>64.9%</td>
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<tr>
<td>Payback begins in Year</td>
<td>4</td>
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<tr>
<td>Profitability Index</td>
<td>3.69</td>
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<tr>
<td>Total 10-Year Cost</td>
<td>$11,865,919</td>
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</table>
Thank You
Governance Structure / Steering Committee

CCS Migration & MDM Project
Governance Structure

- Monthly: Project Quality Assurance
- Weekly: Change Control
- Daily or Weekly: Project Support by TMG
- Monthly: Steering Committee
- Monthly: Program / Project Management

- Core Team
- Extended Stakeholders / SMEs
- Organizational Change Management (OCM)
- Conversion / Migration
- Testing

Decisions
Project Status Reports

Change Requests
Issues / Risks / Dependencies
Escalation / Key Decisions
<table>
<thead>
<tr>
<th>SUNDAY</th>
<th>MONDAY</th>
<th>TUESDAY</th>
<th>WEDNESDAY</th>
<th>THURSDAY</th>
<th>FRIDAY</th>
<th>SATURDAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 27</td>
<td>28</td>
<td>29</td>
<td>30</td>
<td>Oct 1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>9:00am Richard Cole SAO Exit Conference (Microsoft Teams)</td>
<td></td>
<td></td>
<td></td>
<td>12:00pm Melissa Leonard 1:1 GM/Commissioners Virtual Lunch with Kevin/Nelson (Microsoft Teams)</td>
<td></td>
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</tr>
<tr>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>10:00am Randalynn Hovland Commission</td>
<td></td>
<td></td>
<td>9:00am WPUDA Budget Committee Meeting (Judy) (Zoom Meeting) - Commission Meetings</td>
<td>5:00pm Budget Hearing (Tom, Larry, Judy, Nelson and Dale)</td>
<td>6:00pm Public Budget Hearing (Microsoft Teams Virtual)</td>
<td></td>
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<tr>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
<td>22</td>
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<td>24</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8:00am Energy Northwest Executive Board Meeting &amp;</td>
<td></td>
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<tr>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
<td>29</td>
<td>30</td>
<td>31</td>
</tr>
<tr>
<td>10:00am Randalynn Hovland Commission Meeting (Teams Meeting) - Randalynn Hovland</td>
<td></td>
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</tbody>
</table>

Commission Meetings
<table>
<thead>
<tr>
<th>SUNDAY</th>
<th>MONDAY</th>
<th>TUESDAY</th>
<th>WEDNESDAY</th>
<th>THURSDAY</th>
<th>FRIDAY</th>
<th>SATURDAY</th>
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</thead>
<tbody>
<tr>
<td>Nov 29</td>
<td>30</td>
<td>Dec 1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12:00pm 1:1 GM/Commissioners Lunch with Kevin/Tom</td>
<td>8:00am WPUDA Annual Meeting (Zoom or Similar Virtual Platform) - Commission Meetings</td>
<td>8:00am WPUDA Annual Meeting (Zoom or Similar Virtual Platform) - Commission Meetings</td>
<td>8:00am WPUDA Annual Meeting (Zoom or Similar Virtual Platform) - Commission Meetings</td>
</tr>
<tr>
<td>6</td>
<td>7</td>
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<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10:00am Randalynn Hovland Commission Meeting (HQ-Commission) - Randalynn Hovland</td>
<td>12:00pm 1:1 GM/Commissioners Lunch with Kevin/Larry</td>
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<td>13</td>
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<td>16</td>
<td>17</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12:00pm 1:1 GM/Commissioners Lunch with Kevin/Ludy</td>
<td>8:00am Energy Northwest Executive Board Meeting &amp; Board of Directors Meeting (Tri-Cities, WA)</td>
<td>8:00am Energy Northwest Executive Board Meeting &amp; Board of Directors Meeting (Tri-Cities, WA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>21</td>
<td>22</td>
<td>23</td>
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<td>25</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10:00am Randalynn Hovland Commission Meeting (HQ-Commission) - Randalynn Hovland</td>
<td>12:00pm 1:1 GM/Commissioners Lunch with Kevin/Nelson</td>
<td></td>
<td></td>
<td>8:00am Randalynn Hovland HOLIDAY - Randalynn Hovland</td>
</tr>
<tr>
<td>27</td>
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<td>30</td>
<td>31</td>
<td>Jan 1, 21</td>
<td>2</td>
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<tr>
<td></td>
<td></td>
<td>12:00pm 1:1 GM/Commissioners Lunch with Kevin/Dale</td>
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</tr>
</tbody>
</table>

Commission Meetings