

McMinnville Water & Light
Special Commission Meeting
April 26, 2022

The McMinnville Water & Light Commission met in special session at 7:30 am. This meeting was conducted electronically via Zoom. The meeting was live streamed on YouTube at https://www.youtube.com/channel/UC_Xa8f4W09mzOp8O3Tfo-5g/live.

Those present were: Mayor Scott Hill, Commissioners Tom Tankersley, Ed Gormley, Jody Christensen, and Kathy Tate.

Absent: None.

Staff present: General Manager John Dietz, General Counsel Sam Justice, Clerk Trena McManus, Water Division Director James Burke, Purchasing Manager Chad Hudson, and Electric Division Director Scott Rosenbalm.

Visitors present: None.

Purchasing Manager Chad Hudson presented the staff request to approve a contract specific special procurement for the purchase of distribution transformers through December 31, 2023 with General Pacific, Inc. c/o Ermco. Mr. Hudson stated that the challenges of acquiring distribution transformers in the current economic environment has become increasingly difficult. Manufacturers/distributors have been faced with capacity issues driven by demand and volatile commodity markets causing drastic upward pricing pressure.

On April 21, staff was contacted by General Pacific and offered production slots for 2023 delivery. General Pacific is requesting 2023 quantities for the following:

- Single-phase polemounts
- Single-phase padmounts
- Three-phase padmounts

Pricing will be set 12 weeks prior to delivery. MW&L will have the option to opt out at that 12-week pricing date, if it chooses to.

Below are the criteria for a special procurement per ORS 279B.085 (4) and potential findings for the special procurement:

(a) Is unlikely to encourage favoritism in the awarding of public contract or to substantially diminish competition: and:

(b)(A) is reasonably expected to result in substantial cost savings to MW&L or the public; or

(B) Otherwise substantially promotes the public interest in a manner that could not practicably be realized by complying with requirements that are applicable under ORS 279B.055, 279B.060, 279B.065 or 279B.070 or under any rules adopted thereunder. In this case, attempting to comply with the contracting code requirement appears likely to put MW&L in a position where transformers are not available, or are only available at very high prices.

With a production order from MW&L, General Pacific will put MW&L on its production list for transformers from Ermco, Inc., and MW&L can reasonably expect a predictable supply of transformers at a reasonable price in 2023. A contract-specific class special procurement with General Pacific promotes the public interest by ensuring continuity of supply of distribution transformers through 2023.

Mr. Hudson recommended adoption of the resolution approving the contract specific special procurement, issuing notice for protest, and directing the general manager to give General Pacific a good faith indication of MW&L's transformer needs in 2023.

Counsel Justice read Resolution 2022-6 by title only. It was moved by Commissioner Gormley and seconded by Commissioner Tankersley to approve Resolution No. 2022-6, a