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PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, MARCH 23, 2022  
8:30 A.M.

AGENDA

I. REGULAR BUSINESS

- A. Call to order
- B. Approval of Agenda

II. PRESENTATION

2021 BEST-IN-CLASS EMPLOYER AS RECOGNIZED BY GALLAGHER

Presented by: Bobby Russell, HR Officer

III. CONSENT ITEMS

*(See Tab 1)*

- A. Approve Minutes of meeting of March 9, 2022
- B. Adopt PWC Resolution # PWC2022.09 – Resolution to Adopt PWC’s Small Local Supplier Program
- C. Adopt PWC Resolution # PWC2022.10 - Resolution Approving an Extension to March 17, 2023, of the Waiver of Utility Connection Charges for Customers in Annexation Phase V, Area 24A

As a result of severe ongoing national supply chain disruptions for materials needed by PWC’s retail customers in Annexation Phase V, Area 24A to establish service connections to PWC’s system, staff recommends that the Commission adopt a resolution extending by six (6) months the period for which Utility Capacity Charges will be waived pursuant to Section XI.E.1 of the Service Regulations for timely customer connections until March 17, 2023.

**COMMENTS:** Staff recommends the Commission grant a six month extension of the Utility Capacity Charge waiver until March 17, 2023, for retail customers in Annexation Phase V, Area 24A.

**BUILDING COMMUNITY CONNECTIONS SINCE 1905**

**AN EQUAL EMPLOYMENT OPPORTUNITY EMPLOYER**

- D. Adopt PWC Resolution # PWC2022.11 - Resolution Approving Purchase and Sale Agreement for North Carolina RECs by and between the Fayetteville Public Works Commission and ELECTRICITIES OF NORTH CAROLINA, INC.

The Fayetteville Public Works Commission seeks to purchase from ELECTRICITIES OF NORTH CAROLINA, INC. North Carolina RECs to be used to comply with PWC's future obligations under G.S. 62-133.8. G.S. 160A-274 requires Commission approval of this purchase transaction.

**COMMENTS:** Staff recommends approval of the proposed Purchase and Sale Agreement for North Carolina RECs by and between the Fayetteville Public Works Commission and ELECTRICITIES OF NORTH CAROLINA, INC. in order to procure sufficient North Carolina RECs for our future compliance obligations.

- E. Approve bid recommendation to award bid for the Annual Contract for Commercial Underground Distribution Construction to Pike Electric LLC, Mount Airy, NC, the lowest, responsive, responsible bidder, in the total amount of \$2,312,999.00, and forward to City Council for approval.

This contract will provide commercial underground distribution construction for repairs, maintenance, and other electric underground distribution services. The award will be for an initial period through June 30, 2022, and may be extended for an additional five periods, of one year each, upon mutual agreement by both parties.

Funding for this project will be from Electric Construction, Commercial Underground Distribution Construction for repairs, maintenance, and other electric underground distribution services. The costs incurred under this contract will depend upon the type and quantities of individual work units that are completed during any given year.

Bids were received January 13, 2022, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Pike Electric LLC, Mount Airy, NC	\$2,312,999.00
Carolina Power & Signalization, Inc., Fayetteville, NC	\$2,925,100.00
Directional Services, Inc., Hope Mills, NC	\$3,143,950.00
Lee Electrical Construction Inc., Aberdeen, NC	\$3,203,556.50
Primoris, T&D Services, LLC., Fort Worth, TX	\$3,577,174.00

**Note:** The evaluated costs shown are based upon unit prices submitted by the bidders against estimated quantities of work. Actual costs for work performed will vary in any particular year and may be higher or lower than the evaluated costs.

**COMMENTS:** Notice of the bid was advertised through our normal channels on October 26, 2021, with an original bid opening date of November 16, 2021. Addendum No. 1 was issued on October 27, 2021, to provide clarifications to prospective bidders for contract documents. Addendum No. 2 was issued on November 5, 2021, to respond to questions received by prospective bidders, address contract document revisions, and extend the bid opening date to November 23, 2021. Addenda Nos. 3- 4 were issued on November 18, 2021, to provide clarifications to prospective bidders for contract documents and extend the bid opening date to December 14, 2021. Addendum No. 5 was issued on December 10, 2021, to provide revisions to contract documents. Addendum No. 6 was issued on

December 13, 2021, to extend the bid opening date to January 6, 2022, and to permit an additional deadline for questions from prospective bidders. Addendum No. 7 was issued on January 3, 2022, to provide responses to questions received by prospective bidders, revisions to contract documents and to extend bid opening date to January 13, 2022. Addendum No. 8 was issued on January 6, 2022, to provide responses to questions from prospective bidders. There were five (5) bids received. The bids were evaluated by the Electric Construction Department.

**SDBE/Local:** Pike Electric LLC is a North Carolina firm based in Mount Airy, NC. They anticipate utilizing MWBE suppliers: Hightowers Petroleum of Ohio for fuel and Tyndale USA of Pennsylvania for flame-retardant clothing for an estimated combined spend of approximately \$35,000. Pike anticipates using the following local firms on an as-needed basis: Black’s Tire and Automotive Service; Cumberland Septic Service; Fastenal; Guaranteed Supply Company; Jiffy Lube; Long Leaf Lawn & Garden Center; NAPA Auto parts; Taylor’s Automotive; United Rentals; and local hotels for lodging.

- F. Approve bid recommendation to award bid for the purchase of one (1) 230/66kV Auto Transformer at POD #1 to WEG Transformers USA, Washington, MO, the lowest, responsive, responsible bidder, in the total amount of \$2,897,747.00, and forward to City Council for approval.

This project will be funded primarily from FY2023 funding in the Capital Improvement Program, CIP1000434. Work associated with drawings, costing approximately \$270,818.00, will commence in FY22 and will require a budget transfer or budget amendment to cover work performed in FY22.

Bids were received February 17, 2022, as follows:

<u>Bidders</u>	<u>Total Cost</u>
***WESCO Distribution Inc. Clayton, NC	\$2,439,921.00
**Virginia Transformer Corp., Roanoke, VA	\$2,641,228.66
*Siemens Energy, Inc., Raleigh, NC	\$2,686,700.00
WEG Transformers USA, Washington, MO	\$2,897,747.00
HICO America, Pittsburgh, PA	\$2,977,922.00
HYUNDAI Electric America Corp, Norcross, GA	\$3,113,700.00
JSHP Transformer, San Jose, CA	\$3,205,410.00
Delta Star, Inc., Lynchburg, VA	\$4,267,806.00

**COMMENTS:** Notice of the bid was advertised through our normal channels on January 3, 2022, with an original bid opening date of January 27, 2022. Addendum No. 1 was issued on January 20, 2022, to provide responses to bidders’ questions and to extend the bid opening date to February 17, 2022. Addendum No. 1, in part, advised that all bidders must provide valid pricing for a period of at least sixty (60) days following the bid opening date. Addendum No. 2 was issued on January 21, 2022, to provide clarification to the bid extension date and Addendum No. 3 was issued on February 9, 2022, to provide a clarification to the technical specifications. Eight (8) bids were received during the bid process and the award is recommended to the lowest responsive, responsible bidder, being WEG Transformers USA of Washington, MO 63090.

\*\*\*The Instructions to Bidders for this purchase provided that “Those bids not received on PWC Materialman’s Proposal Form contained herein will be considered non-responsive. The forms shall be filled out completely. Any omissions may cause the entire Proposal to be rejected.” The Materialman’s Proposal Form required bidders to provide, along with other information, the percent of failure of the last 100 power transformers at the factory testing and, separately, the percent of failure of the last 100 power transformers after installed in the field. The form also requested the bidder to identify other utilities that had made recent purchase of units of the same design as that proposed by the bidder for the subject purchase. In addition, the bidding documents advised that all

bidders must provide valid pricing for a period of at least sixty (60) days following the bid opening date. The bid submitted by WESCO Distribution Inc. did not fully complete the Materialman's Proposal Form as the company did not provide information concerning the percent of failure or prior utility purchases. Moreover, the bid submitted by WESCO Distribution Inc. stated that "this proposal will remain valid for a period of 30 days after submittal." Therefore, the bid submitted by WESCO Distribution Inc. does not substantially conform to the bid specifications. As such, PWC staff determined that the bid submitted by WESCO Distribution Inc. is non-responsive.

\*\*The bid submitted by Virginia Transformer Corp. likewise did not provide information concerning the percent of failure or prior utility purchases. Similar to the above, this information was material to the evaluation of the bids and the purchase to be made. Therefore, the bid submitted by Virginia Transformer Corp. do not substantially conform to the bid specifications. As such, PWC staff determined that the bid submitted by Virginia Transformer Corp. is non-responsive.

\*The bid submitted by Siemens Energy, Inc., among other issues, (1) changed the Milestone Payment Schedule, (2) indicated that the validity and firm price of the bid expired after March 14, 2022 (contrary to the sixty (60) day requirement to hold the bid valid), and (3) added several terms and conditions that were not contemplated in the bid package. Therefore, the bid submitted by Siemens Energy, Inc. does not substantially conform to the bid specifications. As such, PWC staff determined that the bids submitted by Siemens Energy, Inc. is non-responsive.

**SDBE/Local:** WEG Transformers USA, Washington, MO is not classified as a SDBE, minority or woman-owned business.

END OF CONSENT

IV. EV MASTER PLAN DISCUSSION

Presented by: Mark Brown, Chief Customer Officer  
Janelle Rockett, Key Accounts Agent, Development & Marketing

V. GENERAL MANAGER REPORT (See Tab 2)  
A. Open Commission Requests

VI. COMMISSIONER/LIAISON COMMENTS

VII. REPORTS AND INFORMATION (See Tab 3)

- A. Monthly Cash Flow Report - February 2022
- B. Recap of Uncollectible Accounts – February 2022
- C. Investment Report - February 2022
- D. Payments by Payment Type – February 2022
- E. Purchase Order Report – February 2022
- F. Financial Statement Recaps – February 2022
  - Electric
  - Water/Wastewater
- G. Position Vacancies
- H. Wholesale Power Cost Adjustment
- I. Approved N.C. Department of Transportation Encroachment Agreement(s):
  - Encr. # 18847 – install 12” RJDJ sewer main @ I-295 south of the intersection of Grenadine Dr (SR4020) and Merganser Pl (SR4025)

VIII. CLOSED SESSION PURSUANT TO NC GENERAL STATUTES 143-318.11(A)(3) TO DISCUSS LEGAL MATTERS

IX. ADJOURN