EWEB Board Consent Calendar Request
For Contract Awards, Renewals, and Increases

The Board is being asked to approve an agreement with **capSpire, Inc.** to **plan and implement an upgrade of EWEB's Energy Trade and Risk Management (ETRM) system Allegro, to Allegro Horizon codebase**.

Board Meeting Date:	3/1/2022	
Project Name/Contract #:	Horizon Upgrade	Contract 21-151-PSC
Primary Contact:	Megan Capper	Ext. 7363

Contract Amount:

Original Contract Amount:	$1,460,000
Additional $ Previously Approved:	$0
Invoices over last approval:	$0
Percentage over last approval:	0%
Amount this Request:	$1,460,000
Resulting Cumulative Total:	**$1,460,000**

Contracting Method:

Method of Solicitation:	Formal Request for Proposals
If applicable, basis for exemption:	NA
Term of Agreement:	1 year
Option to Renew?	No
Approval for purchases *"as needed"* for the life of the Contract:	Yes☐ No☒
Proposals/Bids Received (Range):	4 ($320,395 to $1,452,474)
Selection Basis:	Highest Ranked Proposer

Narrative:

<u>Operational Requirement and Alignment with Strategic Plan</u>
The purpose of this project is to analyze and update Allegro, EWEB's Enterprise Trade & Risk Management (ETRM) system. Allegro serves as EWEB's system of record for volumetric reporting of over $100 million a year for both generation and transactional exchanges of MWh and is critical for accurately reporting our financial transactions and financial risk to the utility. Allegro provides EWEB the core functions of trade capture and management, physical operations, financial settlement, risk management, and decision support and reporting tools. As the cash register for our trades, there are evolving requirements in these markets making its modernization vitally important.

EWEB's current Version 8.0.9868.6 is now obsolete and no longer supported (or supportable). As of June 2018 – Allegro began charging EWEB a steadily increasing rate for licensing the version of Allegro that we're currently using. We performed our most recent Allegro upgrade in early 2015. EWEB is approximately 10 releases (major and minor) behind the latest version. To avoid an escalating increase in annual maintenance and support fees, to ensure system stability, and adequate time for planning and implementing an upgrade, EWEB will need to begin the review of the Trading Floor's ETRM software as soon as possible.

In the first phase of the project, the team will review existing system components and identify those necessary for

upgrade, update, modification, re-configuration, or replacement. In the second phase of the project the team will work with vendor support to update components as needed ultimately transitioning from the existing system to the updated platform and underlying infrastructure.

This project ties to the 10-year strategic priority to manage and reassemble our power generation portfolio. EWEB's technical capability to do so, and relationship with Bonneville Power Administration (BPA) has changed in recent years. Updating our ETRM system and complying with newer BPA standards is a critical success factor for this project. Additionally, joining the Energy Imbalance Market (EIM) with them is highly valuable to EWEB and its customers. That decision will be made in the context of changing technology, markets, and customer expectations. Updated technology and a more robust ETRM system will better inform management decisions.

The following is a short breakdown of the two phases and the project teams' approach with the proposed vendor:

Phase 1 is the assessment and study of EWEB's existing ETRM system. The team will review business processes, applications, and tools in use and define the tasks for upgrade. Upgrade will involve replacement, reconfiguration, removal, and/or disposition of each system component. The goal of the assessment phase is development of recommendations and a plan for next steps. By elaborating the work as we go, the team as well as business leaders, can remain in synch on scope, schedule, and budget for the work to follow. The results from the assessment(s) will lead to decision making, followed by Phase 2.

Phase 2 of the project is the move of Allegro off the current physical server/platform to a new environment. Upgrading the application from version 8.0.9868.6 to current software (v. 16.145.5.x.x or better) and migrating data from the existing DB array is also currently within Phase 2 scope of this project.

Contracted Goods or Services
Upgrade services related to EWEB's Allegro Horizon effort.   Upgrade services will include but are not limited to planning, analysis, requirement elicitation, future state business process design, implementation, and testing.

Purchasing Process
A formal Request for Proposals was posted to OregonBuys in September 2021. Proposals were received from four firms. Three of the four firms were initially deemed responsive and responsible.

The proposals were evaluated by an EWEB selection team. The maximum number of possible points for responses was 120, using the following sub-criteria and maximum number of points for each: Minimum Qualifications (Pass / No Pass – Not scored); Ability to Perform the Work (25 points); Project Team Qualifications and Experience (35 points); Project Approach (15 points); References (15 points); Pricing (10 points); and Interviews (20 points).

After completing the evaluation of the proposals, the two highest ranked firms were invited to interview. After interviews were completed, Value Creed was selected as the most qualified consultant, offering the best overall value of experience and approach and an Intent to Award was issued. That Intent to Award was later rescinded due to the fact that Value Creed later took exceptions to the agreed upon EWEB contract terms and conditions and also made changes to their proposed key project staff. Staff then issued an Intent to Award to the next highest ranked proposer, capSpire, Inc.

Proposals Received

Vendor Name	City, State	Offered Price	Ranking
capSpire	Tulsa, OK	$ 1,452,474	2
Capco	Houston, TX	$ 1,328,000	3
Value Creed	Plano, TX	$ 320,395	1, but disqualified
ION	Dublin, Ireland	NA	Non-Responsive

Prior Contract Activities
N/A

ACTION REQUESTED:

Management requests the Board approve an agreement with capSpire to plan and implement an upgrade of EWEB's Energy Trade and Risk Management (ETRM) system Allegro, to Allegro Horizon codebase. Approximately $1 million was planned for these services in 2021. The work is rolling forward into 2022 and will be managed within the 2022 Electric capital budget of $55 million. Staff are working with Finance to reprioritize and manage the O&M costs within the budget process and Board policy.