

# Exhibit to Agenda Item #1

Board Finance & Audit Committee Meeting and Special SMUD  
Board of Directors Meeting

Tuesday, January 14, 2019 scheduled to begin at 5:30 p.m.

HQ Auditorium

Powering forward. Together.



# Wire & Cable: Action request

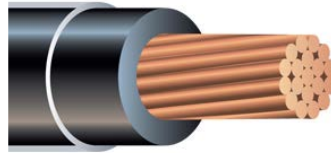
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Authorize the Chief Executive Officer and General Manager to award contracts to Frase Enterprises, Southwire, LLC, The Okonite Company, and Anixter, Inc. to provide medium voltage, secondary, overhead, underground, and other miscellaneous wire and cable for a contract term of seven years from approximately January 30, 2020, through January 29, 2027, for a not-to-exceed aggregate amount of \$55 million.

# Wire & Cable Types



Schedule A:  
Secondary Cable



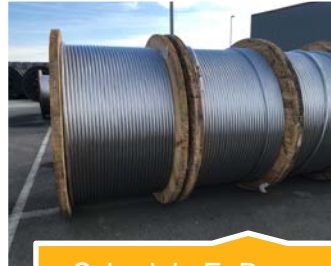
Schedule B: Building  
Wire



Schedule C:  
Miscellaneous Cable



Schedule D: EPR  
Cable



Schedule E: Bare  
Aluminum Cable



Schedule F: Bare  
Copper Cable

# Wire & Cable: Procurement Strategy

<b><i>Previous Wire / Cable Approach</i></b>			
Type	Solicitation Type	Term	Value
Secondary Cable	Bid Request	5 years	\$ 4,100,000
CU Cable	Bid Request	3.5 years	\$ 1,230,000
Medium Voltage Cable	Bid Request	1.5 years	\$ 8,000,000
Miscellaneous Cable	Bid Request	4 years	\$ 1,000,000



<b><i>New Wire / Cable Approach</i></b>			
Wire / Cable	Solicitation Type	Term	Value
All wire / cable	RFP	7 years	\$ 55,000,000

## **Benefits of RFP Approach**

- Increased competition
- Ability to negotiate unit pricing
- Evaluation criteria that bring value to SMUD
  - Environmental impact
  - Product quality
  - Customer service

# Wire & Cable: Environmental Criteria

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1.

List the company's/project's three to five most significant environmental risks, issues or impacts and provide a brief description on how you propose to manage.

2.

Describe the best practices and innovative approaches your organization would employ to help reduce the environmental footprint.

3.

Please include information on the electric utility that serves the manufacturing plant and the type of power that serves the facility.

4.

Minimize SMUD cable scrap

5.

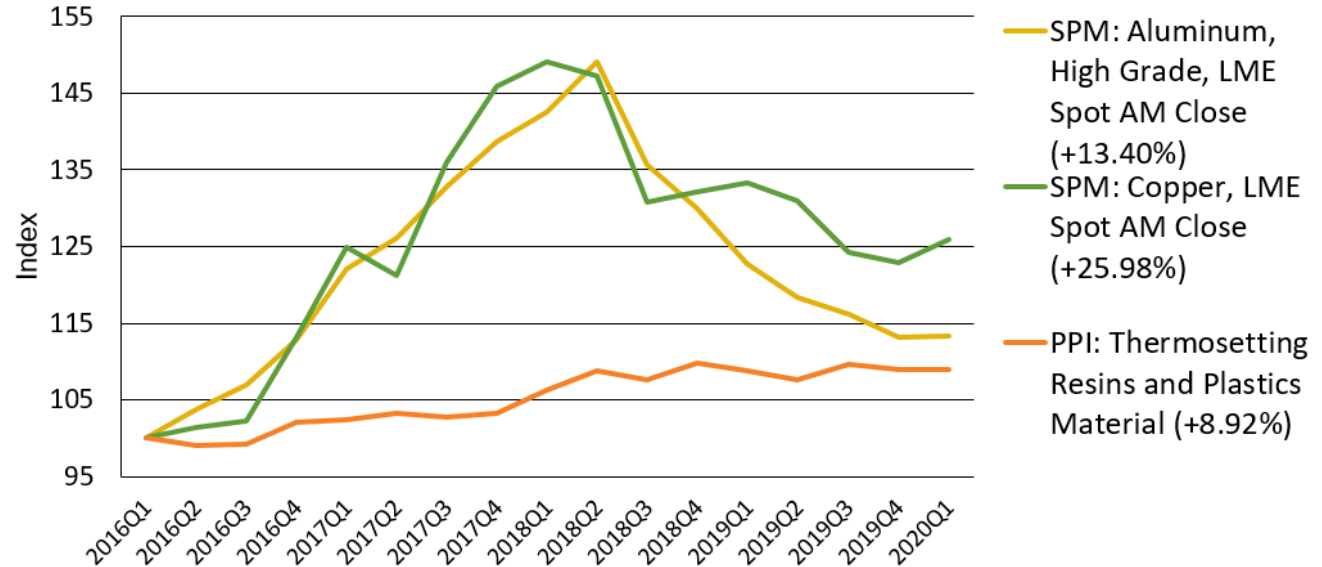
Minimize SMUD cable inventory

6.

Returnable reel programs and minimize wood reel disposal costs. Please indicate if you have a program and if so provide program details.

# Wire & Cable: Commodity Trends

- Copper and Aluminum are the most volatile components of SMUD's wire & cable cost.
- SMUD will use semi-annual index adjustments to account for metals market trends.



# Wire & Cable: Timeline

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# Wire & Cable Evaluation: EPR Cable

## RFP NO. 190144.AL

7-YEAR INVENTORY CONTRACT FOR WIRE AND CABLE (Bid Schedule D: EPR Cable)

Responsive Proposals Received	Pass/Fail	SEED Points	Technical Points	Price Points	Total Score	Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
		10	40	50	100					
The Okonite Company	Passed	-	38.33	47.58	85.92	1	\$25,851,437		\$25,851,437	\$41,500,000
CME Wire and Cable	Passed	-	29.83	50.00	79.83	2	\$24,601,482		\$24,601,482	
Southwire Company	Passed	-	39.33	39.33	78.67	3	\$31,274,154		\$31,274,154	
Taihan Electric	Passed	-	19.00	-	19.00	4	\$583,275		\$583,275	



# Wire & Cable: Award Results

Bid Schedule Category	Award Recommendation	Award Amount
D: EPR Cable	The Okonite Company	\$41,500,000
A: Secondary Cable	Frase Enterprises (SEED)	\$7,000,000
E: Bare Aluminum Cable	Southwire, LLC	\$4,000,000
B: Building Wire	Southwire, LLC	\$1,500,000
F: Bare Copper Cable	Southwire, LLC	\$750,000
C: Miscellaneous Cable	Anixter, Inc.	\$250,000
<b>Total Contract Awards</b>		<b>\$55,000,000</b>

*\$4.3M in savings*

*12.7% SEED*

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