

Exhibit to Agenda Item #1

Discuss authorizing the Chief Executive Officer and General Manager to negotiate and execute a sole source contract with **Cooper Power Systems, LLC, a subsidiary of Eaton Corporation**, to provide network protectors for the five-year period from April 21, 2025, to April 20, 2030, in an amount not to exceed \$40 million.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, April 15, 2025, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium



Business Need

- SMUD seeks to establish five-year contract with EATON for the supply of network protectors.
- SMUD expects higher than historical levels of network protector spend.
- Eaton is the only SMUD-approved manufacturer meeting minimum requirements.
- Support SMUD's transition from live-front to dead-front network protectors.
- Maintain reliability and efficiency of SMUD's electrical distribution system.

Safety

Transition to Dead-Front Network Protectors:

- Live-front models have exposed energized parts, posing safety risks.
- Dead-front models have inaccessible energized parts, improving personnel safety.

Benefits:

- Reduced risk of electrical contact incidents. Enhanced safety for SMUD personnel working on network protectors.
- Compliance with SMUD's safety and operational standards.



Procurement Strategy

Market Assessment:

Eaton is the only approved supplier meeting SMUD's minimum requirements.

Past Performance:

Proven track record of supplying network protectors since 2021.

Price Assessment:

2021 price was 23% lower than previous live-front models.

67% price increase since 2021 aligns with market conditions.

Pricing validated using Bureau of Labor and Statistics PPI data.

Terms and Conditions:

SMUD continues to negotiate terms and conditions with EATON

Recommendation



Recommendation

- Award Sole Source Contract to Eaton upon successful contract negotiations.
- Contract ensures continuity of reliable and safe network protector supply.



Additional Comments

- Non-standard inventory material contract.
- Supports operational safety and efficiency initiatives.

**Cooper
Power Systems**
by **EAT•N**