



City of Grand Island

Tuesday, January 8, 2013

Council Session

Item G3

#2013-1 - Approving the Purchase of Seven (7) 500 kVA Padmount Transformers

Staff Contact: Tim Luchsinger, Utilities Director

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director

Meeting: January 8, 2012

Subject: Purchase of Seven (7) 500 kVA Padmount Transformers

Item #'s: G-3

Presenter(s): Timothy Luchsinger, Utilities Director

Background

A request for bids for seven (7) 500 kVA padmount transformers was publicly advertised on Monday, November 19, 2012. Requests were also mailed to five companies. On December 18, 2012, bids were publicly opened from four firms for the specified padmount transformers. This type of transformer is used for large commercial customers; five of them will be used for the Sterling Apartments, a new complex under construction on Capital Avenue, west of Wal-Mart. The other two are to replace inventory.

Discussion

The Utilities Department changed this transformer specification from a painted base metal to painted stainless steel to try to increase the expected life of the transformers. The metal body of the transformers purchased in the last ten years are already showing rust and degradation which compromises the safety of the transformers. Other utilities changing to stainless steel have reported a much longer life.

All transformer bids are evaluated for efficiency at various loads of operation to determine a total cost to the City over a 20-year life of the transformers. The evaluation criteria factors are provided to each of the suppliers so that each supplier can design the transformers and offer bids accordingly. The lifetime cost of operation is then used to determine the lowest total overall cost to the City. The lowest evaluated bid is recommended for approval.

Bids for Padmount Transformers were received in accordance with City Procurement Code requirements, as tabulated below:

Bidder	Manufacturer	Quantity	Price Each	Evaluated Price
WESCO	ABB	7	\$17,018.00	\$26,211.25
Cahoon Sales	Ermco	7	\$14,610.00	\$29,414.50
Dutton Lainson	Howard	7	\$17,189.00	\$30,833.75
Moehn Elec. Sales	CG Power Systems	7	\$16,708.00	\$30,906.75

The low evaluated bid for the seven (7) 500 kVA transformers was provided by WESCO of Sioux City, Iowa, to provide ABB transformers. The bid of \$119,126.00, plus tax, is more than the engineer's estimate of \$105,000.00, due to the stainless steel casings.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends the Council approve the purchase of seven (7) 500 kVA transformers from WESCO, of Sioux City, Iowa, in the amount of \$119,126.00, plus tax.

Sample Motion

Move to approve the purchase of seven (7) 500 kVA transformers from WESCO in the amount of \$119,126.00, plus tax.

RESOLUTION 2013-1

WHEREAS, the City of Grand Island invited bids for seven (7) 500 kVA 13.2/208/120 Padmount Transformers, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on December 18, 2012, bids were received, opened and reviewed; and

WHEREAS, WESCO, of Sioux City, Iowa, submitted a bid in accordance with the terms of the advertisement for bids and plans and specifications and all other statutory requirements contained therein, such bid being in the amount of \$119,126.00 plus tax.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid from WESCO, in the amount of \$119,126.00 plus tax for seven (7) 500 kVA 13.2/208/120 Padmount Transformers is hereby approved as the lowest responsible evaluated bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, January 8, 2013.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	▣ _____
January 4, 2013	▣ City Attorney