



City of Grand Island

Tuesday, October 22, 2013

Council Session

Item G-5

**#2013-342 - Approving Transformer Maintenance & Testing
Services - Utilities Department**

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Tim Luchsinger, Utilities Director
Stacy Nonhof, Assistant City Attorney

Meeting: October 22, 2013

Subject: Approving Substation Transformer Maintenance and Testing Services

Item #'s: G-5

Presenter(s): Tim Luchsinger, Utilities Director

Background

The City of Grand Island electric system utilizes large power transformers to convert the 115,000 transmission voltage to 13,800 volts for distribution throughout the City. These transformers are oil filled and will occasionally develop slow leaks due to failing gaskets and other problems. The system currently has eight transformers that require leak repairs. Due to the equipment necessary to perform this maintenance, utilizing a contractor is required. In addition, an older substation transformer has reached the end of its life and is need of replacement. This same contractor will perform the necessary swap with a spare transformer already on hand.

Discussion

Bids were received by the City on September 24, 2013 for the contract labor and materials for the substation transformer maintenance services. The two bids received were:

Bidder	Bid Price
Solomon Corporation Solomon, KS	\$149,996.88
Delta Star, Inc. Lynchburg, VA	\$277,752.74

Solomon's bid contains no exceptions, meets all requirements, and is below the engineer's estimate of \$300,000. Solomon has performed transformer maintenance for the City previously, with good results.

Based on a review of the bids received, the Solomon Corporation's bid of \$149,996.88 is recommended by the Department as the lowest, compliant bid.

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 a future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the bid from Solomon Corporation of Solomon, KS for Substation Transformer Maintenance and Testing Services in the amount of \$149,996.88.

Sample Motion

Move to approve the bid from Solomon Corporation for Substation Transformer Maintenance and Testing Services in the amount of \$149,996.88.



Stacy Nonhof, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: September 24, 2013 at 2:00 p.m.
FOR: Substation Transformer Maintenance and Testing Services
DEPARTMENT: Utilities
ESTIMATE: \$300,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: September 11, 2013
NO. POTENTIAL BIDDERS: 7

SUMMARY

Bidder:	<u>Solomon Corp.</u>	<u>Delta Star, Inc.</u>
	Solomon, KS	Lynchburg, VA
Bid Security:	Cashier's Check	Fidelity & Deposit Co.
Exceptions:	None	None
Base Bid:	\$140,184.00	\$259,583.00
Sales Tax:	<u>\$ 9,812.88</u>	<u>\$ 18,170.74</u>
Total Bid Price:	\$149,996.88	\$277,752.74

cc: Tim Luchsinger, Utilities Director
Mary Lou Brown, City Administrator
Stacy Nonhof, Purchasing Agent
Karen Nagel, Utilities Secretary

Bob Smith, Assist. Utilities Director
Jaye Monter, Finance Director
Pat Gericke, Utilities Admin. Assist.
Travis Spiehs. Phelps Control

P1674

RESOLUTION 2013-342

WHEREAS, the City of Grand Island invited sealed bids for Substation Transformer Maintenance and Testing Services; and

WHEREAS, on September 24, 2013, bids were received, opened and reviewed; and

WHEREAS, the Solomon Corporation of Solomon, Kansas, submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, such bid being in the amount of \$149,996.88; and

WHEREAS, the bid of the Solomon Corporation is less than the estimate for Transformer Maintenance and Testing Services.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of the Solomon Corporation of Solomon, Kansas, in the amount of \$149,996.88, for Substation Transformer Maintenance and Testing Services, is hereby approved as the lowest responsive bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, October 22, 2013.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
October 18, 2013	☐ City Attorney