



# City of Grand Island

Tuesday, November 25, 2014

Council Session

## Item G-4

**#2014-347 - Approving Bid Award - Contract # 14-PCC-02 -  
Purchase of Substation Power Transformer**

Staff Contact: Tim Luchsinger, Stacy Nonhof

# Council Agenda Memo

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

**Meeting:** November 25, 2014

**Subject:** Contract #14-PCC-02 - Substation Power Transformer

**Item #'s:** G-4

**Presenter(s):** Tim Luchsinger, Utilities Director

## Background

As of last year, the Utilities Department had four GE Substation transformers manufactured in 1968 still in service. These transformers are the oldest of the substation transformer fleet. One of those transformers had been showing some signs of age and potential failure and, as a result of some concerning test results, this transformer was taken out of service late last summer. During the winter of 2013-2014, the transformer was replaced with a spare transformer in stock. Due to the cost of substation transformers, keeping more than one spare in stock is not economically feasible. Since all four transformers are nearing 50 years old, department staff has made the decision to proactively replace the remaining three transformers over the next three to four years.

## Discussion

The request for bids was advertised in accordance with City procurement requirements. Specifications were sent to eight regional distributors. Bids were publicly opened at 2:00 p.m. on November 12, 2014. The engineer's estimate for this specification is \$950,000. Listed below is a tabulation of the bids received:

<u>Bidder</u>	<u>Exceptions</u>	<u>Bid Price</u>	<u>Evaluated Bid Price</u>
Delta Star, Inc.	Noted	\$839,950.00	\$898,747.00
Howard Industries, Inc.	None	\$810,187.00	\$867,187.00
SPX Transformer Solutions, Inc.	Noted	\$842,301.86	\$842,301.86
JSHP Transformer	None	\$818,700.00	\$818,700.00
PDS, Inc.	None	\$731,088.20	\$731,088.20
Professional Electric	Noted	\$913,446.00	\$679,086.00
WEG Electric Corp.	None	\$636,650.00	\$636,650.00

All bids were evaluated by Department personnel. The lowest bid submitted was from WEG Electric Corporation of Duluth, Georgia, in the amount of \$636,650.00. Several references were contacted during review of the bid and all references indicated a positive experience.

### **Alternatives**

It appears that the Council that 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 Contract #14-PCC-02 for Substation Power Transformer, with WEG Electric Corporation of Duluth, Georgia, in the amount of \$636,650.00.

### **Sample Motion**

Move to approve Contract #14-PCC-02 for Substation Power Transformer, with WEG Electric Corporation in the amount of \$636,650.00.



Stacy Nonhof, Purchasing Agent

*Working Together for a  
Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** November 12, 2014 at 2:00 p.m.  
**FOR:** Substation Power Transformer, Contract #14-PCC-02  
**DEPARTMENT:** Utilities  
**ESTIMATE:** \$950,000.00  
**FUND/ACCOUNT:** 520  
**PUBLICATION DATE:** October 14, 2014  
**NO. POTENTIAL BIDDERS:** 8

**SUMMARY**

<b>Bidder:</b>	<b><u>JSHP Transformer</u></b> San Jose, CA	<b><u>Delta Star, Inc.</u></b> Lynchburg, VA
<b>Bid Security:</b>	The Insurance Co.	Fidelity & Deposit Co.
<b>Exceptions:</b>	None	Noted
<b>Bid Price:</b>	\$818,700.00	\$839,950.00
<b>Bidder:</b>	<b><u>PDS, Inc.</u></b> Omaha, NE	<b><u>SPX Transformer Solutions, Inc.</u></b> Waukesha, WI
<b>Bid Security:</b>	Liberty Mutual Ins. Co.	Liberty Mutual Ins. Co.
<b>Exceptions:</b>	None	Noted
<b>Bid Price:</b>	\$731,088.20	\$842,301.86
<b>Bidder:</b>	<b><u>Professional Electric</u></b> Akron, OH	<b><u>WEG Electric Corp.</u></b> Duluth, GA
<b>Bid Security:</b>	Great American Ins. Co.	Insurance Co. of the State of PA
<b>Exceptions:</b>	Noted	None
<b>Bid Price:</b>	\$913,446.00	\$636,650.00

**Bidder:** Howard Industries, Inc.  
**Laurel, MS**  
**Bid Security:** **Liberty Mutual Ins. Co.**  
**Exceptions:** **None**  
**Bid Price:** **\$810,455.00**

cc: Tim Luchsinger, Utilities Director  
Mary Lou Brown, City Administrator  
Stacy Nonhoff, Purchasing Agent  
Travis Burdett, Assist. Utilities Director

Bob Smith, Assist. Utilities Director  
Jaye Monter, Finance Director  
Pat Gericke, Utilities Admin. Assist.

**P1771**

RESOLUTION 2014-347

WHEREAS, the City of Grand Island invited sealed bids for a Power Transformer, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on November 12, 2014, bids were received, opened and reviewed; and

WHEREAS, WEG Electric Corporation of Duluth, Georgia, 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 \$ 636,650.00; and

WHEREAS, the bid of WEG Electric Corporation is less than the estimate for the Power Transformer.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of WEG Electric Corporation of Duluth, Georgia, in the amount of \$636,650.00, for the Power Transformer, is hereby approved as the lowest responsible bid, and the Mayor is hereby authorized to sign the contract on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, November 25, 2014.

\_\_\_\_\_  
Jay Vavricek, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form    ✕ \_\_\_\_\_  
November 21, 2014    ✕ City Attorney