



City of Grand Island

Tuesday, September 28, 2004

Council Session

Item G4

**#2004-236 - Approving Bid Award for Padmount Transformers -
Utilities Department**

Staff Contact: Gary R. Mader; Dale Shotkoski

Council Agenda Memo

From: Robert H. Smith, Asst. Utilities
Dale Shotkoski, Asst. City Attorney/Purchasing

Meeting: September 28, 2004

Subject: Bid Award – Padmount Transformers – Utilities Dept.

Item #'s: G-4

Presenter(s): Gary R. Mader, Utilities Director

Background

Bid specifications for 2500 and 1500 kVA padmount transformers were publicly advertised on Friday, September 3, 2004. Bidding documents were mailed to six potential bidders. On Tuesday, September 21, 2004 the bids were publicly opened. Bids were received from three firms for the specified padmount transformers. The transformers are the type used for large commercial customers such as Standard Iron and the Super Wal-Marts.

All transformer bids are evaluated for efficiency of operation to determine a total lifetime cost to the City over the 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 bid 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.

Discussion

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

| <u>Three-phase Padmounted Transformers – 2500 kVA 277/480V</u> | | | | | |
|---|--------------|----------|----------------|--------------------|---------------------------------|
| Bidder | Manufacturer | Quantity | Bid Price Each | Evaluated Bid Each | Comments |
| Dutton-Lainson | Howard | 2 | \$29,090.00 | \$73,238.00 | |
| Kriz-Davis | Cooper | 2 | \$24,521.50 | \$70,782.50 | |
| Cahoon Sales | ERMCO | 2 | \$20,725.00 | \$64,421.00 | <i>Low Evaluated Bid</i> |
| <u>Three-phase Padmounted Transformers 1500 kVA 277/480V</u> | | | | | |
| Dutton-Lainson | Howard | 2 | \$23,080.00 | \$48,575.50 | |
| Kriz-Davis | Cooper | 2 | \$16,096.00 | \$43,881.50 | <i>Low Evaluated Bid</i> |
| Cahoon Sales | ERMCO | 2 | \$14,521.00 | \$44,015.00 | |

The low evaluated bid for the two 2500 kVA transformers was provided by Cahoon Sales of Elkhorn, NE for a bid award of \$41,450.00 plus tax. The bid for the two 1500 kVA transformers of \$32,192.00 was provided by Kriz Davis of Grand Island.

The total transformer purchase price is \$73,642.00 which is less than the engineers estimate of \$97,000.00.

It is proposed that the 2500 kVA transformers bid be formally awarded to Cahoon Sales as the total bid price is above the \$40,000 purchase limit of the Electric Department, and that a purchase order be issued for the 1500 kVA transformers.

Alternatives

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

1. Approve the bid award to Cahoon Sales for the 2500 kVA transformers.
2. Deny the bid award.
3. Modify the award to meet the wishes of the Council.
4. Table the issue.

Recommendation

City Administration recommends that the Council award the bid for two 2500 kVA padmount transformers to Cahoon Sales of Elkhorn, NE.

Sample Motion

Approve the bid award for the two 2500 kVA transformers to Cahoon Sales.

Purchasing Division of Legal Department
INTEROFFICE MEMORANDUM



Dale M. Shotkoski, Assistant City Attorney

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: September 21, 2004 at 11:00 a.m.

FOR: Padmount Transformers

DEPARTMENT: Utilities

ESTIMATE: \$97,000

FUND/ACCOUNT: 520

PUBLICATION DATE: September 3, 2004

NO. POTENTIAL BIDDERS: 6

SUMMARY

| | | |
|----------------------|---|---|
| Bidder: | <u>Dutton-Lainson Company</u> Hastings, NE | <u>Kriz-Davis Company</u> Grand Island, NE |
| Bid Security: | Universal Surety Company | St. Paul Guardian Insurance Co. |
| Exceptions: | None | Noted |
| Bid Price: | \$111,122.10 | \$86,697.92 |

| | |
|----------------------|------------------------------------|
| Bidder: | <u>Cahoon Sales</u> Elkhorn, NE |
| Bid Security: | St. Paul Guardian Insurance Co. |
| Exceptions: | Noted |
| Bid Price: | \$75,074.00 |

cc: Gary Mader, Utilities Director
Randy Leiser, Utilities Dept.
Pat Gericke, Utility Admin. Secretary
Dale Shotkoski, Purchasing Agent

Bob Smith, Assistant Utilities Director
Gene Pesek, Utilities Dept.
Gary Greer, City Administrator
Laura Berthelsen, Legal Assistant

RESOLUTION 2004-236

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

WHEREAS, on September 21, 2004, bids were received, opened and reviewed; and

WHEREAS, Cahoon Sales of Elkhorn, Nebraska, 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 \$41,450 plus tax for two 2500 kVA transformers; and

WHEREAS, Kriz-Davis Company of Grand Island, Nebraska, 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 \$32,192 plus tax for two 1500 kVA transformers; and

WHEREAS, the bid of Kriz-Davis Company can be awarded by purchase order in accordance with city code provisions; and

WHEREAS, the total of both bids is less than the estimate for such transformers.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Cahoon Sales of Elkhorn, Nebraska, in the amount of \$41,450 plus tax for two 2500 kVA padmount transformers is hereby approved as the lowest evaluated bid for those items.

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Adopted by the City Council of the City of Grand Island, Nebraska, September 28, 2004.

RaNae Edwards, City Clerk

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|---------------------|-----------------|
| Approved as to Form | ☐ _____ |
| September 23, 2004 | ☐ City Attorney |