



City of Grand Island

Tuesday, January 27, 2009

Council Session

Item G9

**#2009-18 - Approving Bid Award - Twelve (12) Substation
Communication Processors**

Staff Contact: Gary R. Mader; Wesley Nespor

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Wesley Nespor, Asst. City Attorney/Purchasing

Meeting: January 27, 2009

Subject: Twelve (12) Substation Communication Processors

Item #'s: G-9

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

Background

The Grand Island Electric System utilizes distribution substations interconnected with a 115,000 volt transmission loop. Monitoring and control of these substations is accomplished primarily from a personal computer (PC) located at Phelps Control Center communicating, via a secure network, with PCs located within each substation.

The PC located at each substation is used to communicate with the various devices installed there and transmit data back to Phelps Control Center. The Utilities Department is planning to replace the substation PCs with a communications processor that will essentially do the same functions with a much greater reliability and simplicity. The PCs have experienced problems of reliability, sometimes shutting down unexpectedly. In addition, these processors will incorporate security features that have become industry standards.

Discussion

Specifications were prepared by Utility engineering staff and were advertised in accordance with City procurement requirements. Specifications were sent to nine local and regional vendors. Bids were publicly opened at 11:00 am on December 29, 2008. Four bids were received. The following table summarizes the bid results:

Company	Exceptions	Price w/ Tax
Schweitzer Engineering Laboratories, Inc. – Pullman, WA	Yes	\$87,192.16
Kriz-Davis Company – Grand Island, NE	Minor	\$110,937.60
Novatech, LLC – Lenexa, KS	No	\$113,248.80
Wesco – Sioux City, IA	Yes	\$149,653.41

Bid Evaluations:

The “as read” low bid submitted by Schweitzer Engineering Laboratories, Inc. (SEL) contained several exceptions. Of these exceptions, one was significant regarding the requirement to provide a built-in information server. The specifications require the processors to possess the ability to display data in a web page format and have it available to any PC connected to the secure network. This function is extremely informative and allows extensive, remote troubleshooting. SEL’s device does not possess this function.

The next low bid was from Kriz-Davis Company. The exceptions that were taken are minor in nature and do not impact the overall function of the unit. The two exceptions include a front panel serial port for configuration purposes in lieu of a USB port as specified. In addition, Kriz-Davis will not provide a serial cable with each unit as specified. Both of these exceptions are easily rectified, and do not hamper the designed unit functions. This product was evaluated extensively using a company provided demonstration unit. All tests confirm that the unit performs satisfactorily, in accordance with the specifications. In addition, several references were contacted. All references spoke very positively of the product and of the technical support provided.

The third low bid was from Novatech, LLC. No exceptions were taken in their bid. This product appears to meet all specifications and would, most likely, perform satisfactorily. Grand Island Utilities Department has some limited, but satisfactory, experience with Novatech products.

The final bid was not evaluated for performance due to the high bid price in comparison to the other three bids.

The Kriz-Davis and Novatech devices do not come standard with the built-in information server. Kriz-Davis and Novatech added this option to their bid in order to meet the specifications. Without this option, their bid prices would have been much closer to SEL who did not include the required information server.

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 that the Council award the contract for Twelve (12) Substation Communication Processors to Kriz-Davis Company of Grand Island in the amount of \$110,937.60, which includes all applicable sales tax. Kriz-Davis Company submitted the lowest compliant bid with only minor exceptions.

Sample Motion

Move to approve the contract for Twelve (12) Substation Communication Processors to Kriz-Davis Company for \$110,937.60.

Purchasing Division of Legal Department
INTEROFFICE MEMORANDUM



Wes Nespor, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: December 29, 2008 at 11:00 a.m.
FOR: Substation Communication Processors
DEPARTMENT: Utilities
ESTIMATE: \$100,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: November 22, 2008
NO. POTENTIAL BIDDERS: 9

SUMMARY

Bidder:	<u>Novatech, LLC</u> Lenexa, KS	<u>Wesco</u> Sioux City, IA
Bid Security:	\$5,292.00	Liberty Mutual Ins. Co.
Exceptions:	None	Noted

Base Bid Price:	\$105,840.00	\$139,863.00
Sales Tax	---- -	<u>9,790.41</u>
Total Bid Price:	\$105,840.00	\$149,653.41

Bidder:	<u>Schweitzer Eng. Laboratories, Inc.</u> Pullman, WA	<u>Kriz-Davis Company</u> Grand Island, NE
Bid Security:	Federal Insurance Company	The Cincinnati Ins. Co.
Exceptions:	Noted	Noted

Base Bid Price:	\$81,488.00	\$103,680.00
Sales Tax	<u>5,704.16</u>	<u>7,257.60</u>
Total Bid Price:	\$87,192.16	\$110,937.60

cc: Gary Mader, Utilities Director
Dale Shotkoski, City Attorney
Jeff Pederson, City Administrator

Bob Smith, Assist. Utilities Director
Wes Nespor, Purchasing Agent
Pat Gericke, Utilities Admin. Assist.

RESOLUTION 2009-18

WHEREAS, the City Electric Department invited sealed bids for Twelve (12) Substation Communication Processors; and

WHEREAS, on December 29, 2008, bids were received, opened and reviewed; 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 \$110,937.60; and;

WHEREAS, the bid of Kriz-Davis Company, submitted the lowest compliant bid.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Kriz-Davis Company of Grand Island, Nebraska, in the amount of \$110,937.60 for Twelve (12) Substation Communication Processors is hereby approved as the lowest responsible bid.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, January 27, 2009.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
January 21, 2009 ☐ City Attorney