



City of Grand Island

Tuesday, March 10, 2009

Council Session

Item G9

**#2009-53 - Approving Bid Award for Substation Equipment
Painting Services**

Staff Contact: Gary R. Mader

Council Agenda Memo

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

Meeting: March 10, 2009

Subject: Substation Equipment Painting Services

Item #'s: G-9

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

Background

The Grand Island Electric System utilizes distribution substations interconnected with a transmission loop. Each substation contains large distribution transformers to lower the voltage from the transmission level of 115,000 volts (115 kV) to the distribution level of 13,800 volts (13.8 kV). These transformers are the most expensive single component within a substation. A new substation transformer costs over \$750,000. Several transformers are forty years old and have been painted multiple times. A large substation equipment maintenance and painting project took place approximately thirteen years ago. Seventeen transformers, eleven breakers and some other miscellaneous equipment painted at that time are now requiring re-painting due to developing surface rust. In order to achieve the maximum life span of this equipment, routine painting is necessary. Therefore, specifications were developed by Department Engineering Staff for Substation Equipment Painting Services.

Discussion

The bid solicitation was advertised in accordance with City procurement requirements. Specifications were sent to seven regional contractors. Bids were publicly opened at 11:00 am on February 19, 2009. Four bids were received. The following table summarizes the bid results:

Company	Exceptions	Materials w/tax	Labor	Mobilization	Total
J & A Specialties, Inc.	Yes	\$22,604.94	\$11,392.50	\$2,805.00	\$36,802.44
The Parpart Corporation	No	\$6,896.00	\$36,507.00	\$2,000.00	\$45,403.00
Preventive Power and Maintenance, Inc.	Noted	\$23,219.00	\$98,450.00	\$4,000.00	\$125,669.00
Seacor Painting Co.	No	\$24,636.75	\$123,900.00	\$1,400.00	\$149,936.75

Maintenance in high voltage electrical substations is somewhat different from standard commercial painting. The power equipment is unique to the industry and there are serious safety concerns when working in close proximity to energized equipment with voltages up to 115,000 volts. While the equipment being painted will be removed from service and de-energized when the work is being performed, adjacent equipment in the substation will remain energized to continue to provide service. Additionally, large power transformers, as are included in this contract, present some concerns for protection of the equipment and difficulty in applying paint. For example, transformer radiators are oil filled and provide cooling to the transformer similar to an automobile radiator. The radiators require a special "Flowcoat" painting technique to properly coat all of the inner surfaces on the radiator without reducing the cooling efficiency of the radiator due to excessive paint thickness. Also, the radiator metal is very thin to allow for proper heat transfer. Excessive sand blasting or scraping can easily damage this thin metal and cause oil leaks.

Because of the unique nature of the equipment and the safety concerns, the specifications for this project required that the contractor be experienced in this type of work and have done at least three projects of similar scope and complexity associated with high voltage electrical equipment.

The "as read" low bid by J & A Specialties, Inc., did not contain any noted exceptions. However, detailed review of the bid indicates that the contractor does not meet the experience requirements of the specifications. The required reference list of similar projects was commercial in nature with no electrical substation experience. In addition, J & A Specialties, Inc., required an explanation of the "Flowcoat" painting technique. It is the evaluation of the Utilities Department that J & A Specialties does not meet the experience requirements of the specifications.

The Parpart Corporation submitted the next lowest bid with no exceptions. Their reference list contained numerous substation equipment painting projects for Lincoln Electric System (LES). In addition, an on-site visit with a Parpart representative displayed a definite familiarity with substations and the equipment requiring painting. A call to LES indicated a positive experience with The Parpart Corporation.

The remaining two bids both meet the specifications and have experience in painting substation equipment. However, due to their high bid prices in comparison to the other two bids, their bids were not evaluated in detail. The Utilities Department evaluates the bid from Parpart as the lowest bid complying with the specifications.

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 Substation Equipment Painting Services to the lowest compliant bidder, the Parpart Corporation of Lincoln, Nebraska in the amount of \$45,403.00.

Sample Motion

Move to approve the award of the contract for Substation Equipment Painting Services to the Parpart Corporation for \$45,403.00.



Wes Nespor, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: February 19, 2009 at 11:00 a.m.
FOR: Substation Equipment Painting Services
DEPARTMENT: Utilities
ESTIMATE: \$350,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: January 23, 2009
NO. POTENTIAL BIDDERS: 7

SUMMARY

Bidder:	<u>J and A Specialties</u> Grand Island, NE	<u>Seacor Painting Co.</u> Campbell, OH
Bid Security:	\$1,845.00	The Hanover Ins. Group
Exceptions:	None	None
Bid Price:		
Material:	\$21,759.67	\$ 23,025.00
Labor:	11,392.50	123,900.00
Mobilization (4):	2,805.00	1,400.00
Sales Tax:	<u>845.27</u>	<u>1,611.75</u>
Total Bid:	\$36,802.44	\$149,936.75

Bidder:	<u>Preventive Power & Maintenance</u> Uniontown, OH	<u>Parpart Corporation</u> Lincoln, NE
Bid Security:	\$6,283.45	Universal Surety Co.
Exceptions:	Noted	None
Bid Price:		
Material:	\$ 21,700.00	\$ 6,445.00
Labor:	98,450.00	36,507.00
Mobilization (4):	4,000.00	2,000.00
Sales Tax:	<u>1,519.00</u>	<u>451.00</u>
Total Bid:	<u>\$125,669.00</u>	<u>\$45,403.00</u>

cc: Gary Mader, Utilities Director
Dale Shotkoski, City Attorney
Jeff Pederson, City Administrator
Travis Burdett, Assist. Utilities Director

Bob Smith, Assist. Utilities Director
Wes Nesper, Purchasing Agent
Pat Gericke, Utilities Admin. Assist.
Larry Keown, Burdick Station

P1320

RESOLUTION 2009-53

WHEREAS, the City Electric Department invited sealed bids for Substation Equipment Painting Services; and

WHEREAS, on February 19, 2009, bids were received, opened and reviewed; and

WHEREAS, the Parpart Corporation of Lincoln, 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 \$45,403.00; and

WHEREAS, the bid of Parpart Corporation of Lincoln, Nebraska is less than the estimate for Substation Equipment Painting Services.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Parpart Corporation of Lincoln, Nebraska, in the amount of \$45,403.00 for Substation Equipment Painting Services is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, March 10, 2009.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
March 5, 2009 ☐ City Attorney