



City of Grand Island

Tuesday, October 23, 2012

Council Session

Item G5

#2012-308 - Approving Bid Award - Substation Transformer Testing Services

Staff Contact: Tim Luchsinger, Jason Eley

Council Agenda Memo

From: Tim Luchsinger, Utilities Director
Jason Eley, City Attorney

Meeting: October 23, 2012

Subject: Transformer Testing Services

Item #'s: G-5

Presenter(s): Tim Luchsinger, Utilities Director

Background

The City of Grand Island owns seven 13.8 kV distribution substations. These substations are vital to providing reliable electrical service to the Grand Island population. Within these substations are a total of twelve 22.5 MVA distribution transformers. These transformers are the most expensive assets in the distribution system. Manufacturers recommend electrical testing every five to ten years. This testing was last performed in 2004. In addition to the distribution substation transformers, all generation related transformers need tested as well. Bids were requested on a “per transformer” basis to allow elimination from the scope of work any transformers that may be unavailable for testing during the time the contractor is on site. A total of twenty-six transformers and one underground cable were included in the bid specifications.

Discussion

The request was advertised in accordance with City procurement requirements. Specifications were sent to six regional distributors. Proposals were publicly opened at 2:00 pm on September 18, 2012. Listed below is a tabulation of the proposals received:

<u>Services Provider</u>	<u>Exceptions</u>	<u>Proposal Price</u>
SPX Transformer Solutions	Yes	\$152,421.50
Solomon Corporation	Yes	\$104,525.09
Alstom Grid Co.	No	\$73,295.00
Eaton Corporation	Yes	\$71,236.32
Delta Star Inc.	Yes	\$61,525.00

Bids include appropriate sales tax.

All five bids were evaluated based upon price and conformance to the specifications. The bids received from Eaton Corporation, Solomon Corporation, and SPX Transformer Solutions met all functional specifications and contained only minor exceptions that are not critical to the project. The bid received from Delta Star Inc. did not meet the specification for including up to three mobilizations in their quote and specified additional cost for weather or other unforeseen project delays. Delta Star also included a fuel surcharge in addition to their proposed price. Therefore, this bid was not considered a viable option. The bid received from Alstom Grid Co. met all functional specifications with no exception. The bid from Eaton Corporation was the lowest acceptable bid received.

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 Eaton Corporation for testing twenty-six (26) Power Transformers in the amount of \$71,236.32.

Sample Motion

Move to approve the bid from Eaton Corporation for testing twenty-six (26) Power Transformers in the amount of \$71,236.32.

RESOLUTION 2012-308

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

WHEREAS, on September 18, 2012, bids were received, opened and reviewed; and

WHEREAS, Eaton Corporation, of Lenexa, 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 \$71,236.32; and

WHEREAS, the bid of the Eaton Corporation is less than the estimate for the Substation Transformer Testing Services.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of the Eaton Corporation in the amount of \$71,236.32, for Substation Transformer Testing 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, October 23, 2012.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
October 19, 2012	☐ City Attorney



Jason Eley, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: September 18, 2012 at 2:00 p.m.
FOR: Substation Transformer Testing Services
DEPARTMENT: Utilities
ESTIMATE: \$125,000.00
FUND/ACCOUNT: EW010
PUBLICATION DATE: September 7, 2012
NO. POTENTIAL BIDDERS: 6

SUMMARY

Bidder:	<u>Solomon Corporation</u> Solomon, KS	<u>Delta Star Inc.</u> Lynchburg, VA
Bid Security:	Travelers Casualty & Surety Co.	Fidelity & Deposit Co.
Exceptions:	Noted	None
Bid Price:	\$97,687.00	\$57,500.00
Sales Tax:	<u>\$ 6,838.09</u>	<u>\$ 4,025.00</u>
Total Bid Price:	\$104,525.09	\$61,525.00

Bidder:	<u>Eaton Corporation</u> Lenexa, KS	<u>SPX Transformer Solutions, Inc.</u> Waukesha, WI
Bid Security:	Travelers Casualty & Surety Co.	Liberty Mutual Insurance Co.
Exceptions:	Noted	Noted
Bid Price:	\$66,576.00	\$142,450.00
Sales Tax:	<u>--</u>	<u>\$ 9,971.50</u>
Total Bid Price:	\$66,576.00	\$152,421.50

Bidder: Alstom Grid Co.
Stow, OH
Bid Security: Liberty Mutual Insurance Co.
Exceptions: None

Bid Price: \$68,500.00
Sales Tax: \$ 4,795.00
Total Bid Price: \$73,295.00

cc: Tim Luchsinger, Utilities Director
Jason Eley, Purchasing Agent

Bob Smith, Assist. Utilities Director
Pat Gericke, Utilities Admin. Assist.

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