

STAFF REPORT UTILITY MEETING

AGENDA DATE: September 26, 2023

DEPARTMENT: Electric Utility

TITLE:

Waiver of Procurement Process and Agreement with Gresco Utility Supply, Inc., for the purchase and delivery of 27 kV Capacitor Banks

SUMMARY:

This item seeks authorization to waive the competitive procurement process and enter into an agreement with Gresco Utility Supply, Inc., to provide and deliver 27 kV, 4 MVAR 2-STEP Shunt Capacitor Banks to the City at a cost not to exceed \$581,523.

BACKGROUND AND JUSTIFICATION:

Capacitor Banks are a component in substations to stabilize voltage variations and improve power delivery efficiency. Currently, the City has a need for new 27 kV capacitor banks at the City's electrical distribution substations and the new Canal 8-Bay Distribution Substation. The City issued an Invitation for Bid (IFB) (IFB#22-113) for the purchase and delivery of the capacitor banks, which the City canceled due to a lack of responsive bids. The City then issued a second IFB (IFB #23-114) for the purchase and delivery of capacitor banks. After the bid deadline, due to materials price volatility and supply chain issues, the City requested and accepted bid revisions from the bidders. Two (2) bidders responded with bid revisions with Gresco Utility Supply recommended for the award. The initial Term of the Agreement is for one (1) year with four (4) additional one (1) year extensions. The total cost of the capacitor banks under this initial agreement is in the amount not to exceed \$581,524.

Since the bid process for IFB#22-113 did not strictly adhere to the technical competitive procurement process, the City's Electric Utility Department is seeking a procurement waiver. Pursuant to section 2-112(g) of the City's Procurement Code, the City Commission may authorize the waiver of the competitive solicitation process upon the recommendation of the procurement division that it is not practicable or advantageous for the City to acquire the goods through the normal competitive selection process. In this case, the revised bids were necessary due to the current price volatility and supply chain issues. Accordingly, the City's procurement division recommends the procurement waiver.

The City's Electrical Engineering team is preparing for the construction of the new Canal 8-Bay Distribution Substation. The 27 kV capacitor banks are an essential component of the new substation builds. This project has been identified as an element of the City's electric utility System Hardening and Reliability Improvement Project (SHRIP) and for which bonds were sold in November 2020 and May of 2022.

MOTION:

Move to approve/disapprove the waiver of procurement and agreement with Gresco Utility Supply, Inc., to provide and deliver 27 kV, 4 MVAR 2-STEP Shunt Capacitor Banks to the City at a cost not to exceed \$581,523.

ATTACHMENT(S):

Fiscal Impact Analysis
Agreement
Bid Tab

FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact:

Fiscal Years	2024	2025	2026	2027	2028
Inflows					
Current Appropriation	0	0	0	0	0
Program Income	0	0	0	0	0
Grants	0	0	0	0	0
In Kind	0	0	0	0	0
Outflows					
Current Appropriation	\$581,523	0	0	0	0
Operating	0	0	0	0	0
Capital	0	0	0	0	0
Net Fiscal Impact	0	0	0	0	0
No. of Addn'l Full-Time Employee Positions					
	0	0	0	0	0

Contract Award - Existing Appropriation	
	Expenditure
Department	Electric
Division	T & D
GL Description	Improve Other than Build/Infrastructure
GL Account Number	421-6034-531.63-15
Project Number	SH2113
Requested Funds	\$581,523