

STAFF REPORT UTILITY MEETING

AGENDA DATE: July 25, 2023

DEPARTMENT: Electric Utility

TITLE:

First Amendment to Agreement with ULS Corporate Inc. for the purchase and delivery of overhead, pole-mounted distribution transformers

SUMMARY:

First Amendment to Agreement with ULS Corporate Inc. for the purchase and delivery of overhead, pole-mounted distribution transformers for the City's Electric Utility under City of Lake Worth Beach solicitation (IFB# 22-112). The Amendment seeks to add two (2) additional units to the original Schedule of Unit Prices, and increase the total annual not-to-exceed amount by an associated \$2,000,000 (Two Million Dollars) to a total amount not to exceed \$4,750,000.00 (Four Million Seven Hundred Fifty Thousand Dollars) per fiscal year. Materials purchased under this agreement are essential elements of the City's Electric Utility System Hardening and Reliability Improvement Project (SHRIP) and for which bonds were sold in Bond Series 2020 and 2022.

BACKGROUND AND JUSTIFICATION:

The City issued an Invitation for Bid (IFB 22-112) seeking bids from qualified vendors for the supply of overhead, pole-mounted distribution transformers for the City's electric utility warehouse inventory. ULS Corporate, Inc. was the only vendor to bid and was found to be the most responsive and responsible bidder and was recommended for the award. This Amendment seeks to add two (2) additional units to the original Schedule of Unit Prices, and increase the total annual not-to-exceed amount by an associated \$2,000,000 (Two Million Dollars) to a total amount not to exceed \$4,750,000.00 (Four Million Seven Hundred Fifty Thousand Dollars) per fiscal year, per Section 5.2 of the original Agreement. The additional units described have been identified as necessary in a revised plan to expedite system hardening of 6th Avenue Substation Distribution Circuit Feeders.

The City is currently implementing the Electric Utility System Hardening and Reliability Improvement Program (SHRIP). As part of this project, old overhead distribution transformers are replaced with new transformers from the City's electric utility warehouse inventory to improve system reliability and storm resiliency. Additionally, many locations within the service territory will be converted from 4kV to 26kV, which also requires the transformers eligible to be purchased under this agreement. Overhead distribution transformers purchased under this agreement will be utilized for both Capital and Operations & Maintenance projects and will be charged out to the projects accordingly.

MOTION:

Move to approve/disapprove First Amendment to Agreement with ULS Corporate Inc. for the addition of two (2) overhead, pole-mounted distribution transformer units to the original Schedule of Unit Prices, and increase of the total annual not-to-exceed amount by \$2,000,000.00 (Two Million Dollars) to a new total of \$4,750,000.00 (Four Million Seven Hundred Fifty Thousand Dollars).

ATTACHMENT(S):

Fiscal Impact Analysis
Agreement
First Amendment to Agreement for Purchase

FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact:

Fiscal Years	2023	2024	2025	2026	2027
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	0	0	0	0	0
Operating	0	0	0	0	0
Capital	\$4,750,000	\$4,750,000	\$4,750,000	0	0
Net Fiscal Impact	\$4,750,000	\$4,750,000	\$4,750,000	0	0
No. of Addn'l Full-Time Employee Positions					
	0	0	0	0	0

New Appropriation Fiscal Impact:		
	Revenue Source	Expenditure
Department	Electric Utility	Electric Utility
Division	Transmission & Distribution	
GL Description	Improve Other Than Build	
GL Account Number	421-6034-531.63-15	
Project Number	Various	
Requested Funds	\$4,750,000	\$4,750,000