

Meeting Date:	May 25, 2021		Agenda Type:	Consent Items for Action
From:	Gregory Thoma	S	Reviewed by:	Gretchen Reuwer
	Chief Engineer of Electric			Director of Electric Services and
	Services			Compliance
Submitted by:	Ryan Kelso		Approved by:	Ian Taylor
	Chief Operations Officer			Chief Executive Officer
RECOMMENDED ACTION:		Authorize CEO or His Designee to Negotiate and Execute a Contrac with Siemens Industry, Inc. and a Contract with Siemens Energy Inc. for the Installation and Purchase of Eleven (11) Substation Breakers		

BACKGROUND

On June 25, 2020, New Braunfels Utilities ("NBU") approved the fiscal year 2021 capital improvement plan ("CIP") that included the expansions and upgrades to several NBU substations (the "Substation Upgrade Project"). As part of the Substation Upgrade Project, NBU must procure eleven (11) substation breakers to be installed at five (5) NBU substations (the "Substation Breaker Project"). Specifically, the Substation Breaker Project includes the purchase and installation of eight (8) medium voltage distribution class breakers and three (3) high voltage transmission class breakers.

On February 10, 2021, NBU staff issued a request for bids ("RFB") for the Substation Breaker Project. On February 26, 2021, NBU received six (6) responses with two respondents subdividing their response into two companies for different breakers. FAPCO, LLC a representative for Siemens (a manufacturer of the breakers), broke up its bid response into two related but independent companies, Siemens Industry, Inc. ("Siemens Industry") and Siemens Energy, Inc. ("Siemens Energy"). The Siemens Industry response includes the manufacturing and delivery of the eight (8) medium voltage breakers. The Siemens Energy response includes the manufacturing and delivery of the three (3) high voltage breakers. After evaluation, NBU staff recommends awarding the contracts to Siemens Industry and Siemens Energy as the combined lowest responsible bidder for the Project. A copy of the bid tabulation is included as an Exhibit below.

In order to reduce the cost associated with the Substation Upgrade Project and maintain critical schedules, NBU Electric elected to separate the Substation Breaker Project from the other components of the overall Substation Upgrade Project, including the Foundations Additions Project, which is also being presented to the NBU Board this month. NBU will begin the procurement process for remainder of the Substation Upgrade Project in summer of 2021 and present the related contracts to the Board in accordance with requirements of the Purchasing Policy.

This item is being presented to the Board because the cumulative total for the contract with Siemens Industry and Siemens Energy exceeds \$250,000.

FINANCIAL IMPACT

The total cost of the contract to Siemens Industries, Inc. is \$150,416 and the total cost of the contact for Siemens Energy, Inc. is \$202,024. The Project is budgeted within the fiscal year 2021 through fiscal year 2024 NBU Board approved capital improvements projects budget

LINK TO STRATEGIC PLAN

Maintain Organizational Reliability and Resiliency

EXHIBITS

1.	Bid	Tab -	- RFB	02570
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Bidder	Manufacturer	Medium Voltage	<u>High Voltage</u>
		Breakers	Breakers
Siemens Industry, Inc. (FAPCO LLC)	<u>Siemens</u>	<u>\$150,416</u>	<u>N/A</u>
Siemens Energy, Inc. (FAPCO LLC)	<u>Siemens</u>	<u>N/A</u>	<u>\$202,024</u>
Siemens Industry, Inc. (KBS Electrical	Siemens	\$158,341	N/A
Distributors, Inc.)			
Siemens Energy, Inc. (KBS Electrical	Siemens	N/A	\$212,665
Distributors, Inc.)			
M&I Electric, LLC (Alternative Bid)	Myers Controlled	\$192,224	No Bid
	Power		
	Myers Controlled	\$200,067	No Bid
M&I Electric, LLC	Power		
Texas Electric Cooperatives	General Electric	No Bid	\$205,536
HBI Energy Associates, LLC	ABB	No Bid	Incomplete Bid
Priester-Mell & Nicholson Inc.	S&C Electric Co.	No Bid	Incomplete Bid

2. Purchase Order Contract with Siemens Industry, Inc.

3. Purchase Order Contract with Siemens Energy, Inc.