

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: Power Plant Transformer Upgrades Installation Contract

Staff Contact: Blake Toliver, Superintendent of Electric Operations

Summary: On March 17, 2022 we received and opened bids for the installation of the power plant transformers installation. A total of two (2) bids were received and have been reviewed for completeness and ability to meet specification requirements.

Bidder Total Bid Price Notes:

Tri-City Electric \$3,256,000.00

Morse Electric \$3,865,595.00

The bid from Tri-City Electric was the apparent low bid for Specification 2199K003, no major exceptions were listed, except for lead-time on materials. Tri-City has a good list of reference completed projects. The company appears to be in good standing and employs certified and trained craftsmen.

The original project was commissioned in June of 2021, to replace the aging power plant electrical transformer, with a transformer, new foundation, oil containment, and connecting power cables. The new transformer was placed on order in the end of July, and unfortunately diagnostic testing of the existing transformer required it to be removed from service at the end of August. The diesel plant was required to operate for two weeks while an emergency rental transformer was shipped to the site due to the 5kV downtown area is only supplied power by the plant or this step-down transformer.

Following this event, the team completed a review of the system and determined that a second power source must be installed to provide reliable power to this portion of town and allow maintenance on the substation feeder exits which are in dire need of repair. The team worked to find four locations where step-down transformers can be installed to back up the 5kV feeders with existing 13.8kV feeders. This will allow this portion of town to be fed from an alternate source for reliability and allow maintenance on the power plant feeder exits. A contract was issued in the first of November for the purchase of this equipment.

A bid package was created and issued in January of 2022 for the complete installation of both the original power plant transformer, and the step-down transformers. These bids were opened on March 17th, and the total contract amount was \$3,256,000. The original scope of the project was estimated at \$2,270,000. The additional \$986,000 is for the installation of the four step-down transformers.

Unfortunately, the additional scope is over the original budget, but these improvements are urgently needed to help provide reliability to the area, and allow maintenance on the substation feeders, therefore, it is our recommendation it is the best interest of the utility to proceed with the overall installation contract.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:
Electric Bonds	\$2,200,000.00	\$3,256,000.00

Strategic Plan Goal Application: 20 – Year CIP Plan – Conduct infrastructure needs analysis for current and future needs.

Recommendation: Award the Power Plant Transformer Upgrades Installation Contract to Tri-City Electric in the amount of \$3,256,000.00