



Memorandum

February 6, 2013

To: Jim Dinley, Municipal Administrator
From: Christopher Brewton, Utility Director
Subject: **Blue Lake Hydroelectric Expansion Project- Award of Contract No. 2
Supply of 12.47 kV Switchgear**

Request:

I request Assembly approval authorizing the City Administrator to issue Myers Power Products Inc., a Notice of Award, clarify and confirm a final price, and to enter into an agreement for Contract No.2, Supply of 12.47 kV Switchgear for the Blue Lake Expansion Project. The maximum amount of this contract would be the amount of \$629,980. In addition, I request the Assembly approve an additional amount of \$81,122.00, to cover the cost of spare parts, a site representative and contingency bringing the total requested amount to \$711,102.00.

Background:

The City and Borough of Sitka advertised Supply of 12.47 kV Switchgear for the Blue Lake Expansion Project, on November 1, 2012 and only one bid was received. The first bid was rejected and the contract was put out for re-bid. The re-bid of Contract 2 was advertised December 21, 2012 and two bids were received. The bids were opened on January 23, 2013. The base bid results are as follows:

<u>Company</u>	<u>Total Bid</u>
KenCare Inc. dba Sitka Electric Co.	\$985,380.00
Myers Power Products Inc.	\$617,165.00

The City requested pricing for additional bid items from Myers prior to award (attached) and those prices are added to the base bid as the total bid amount. The Myers bid amount now comes to \$617,165 plus \$12,815 totaling \$629,980.00.

Analysis:

The engineers estimate for this contract was \$684,000.00; the bids were reviewed by Department staff and its consultants as indicated in the attached bid evaluation.

While the price difference is substantially in favor of the Myers bid (including the additional bid items requested), department staff and its consultants also reviewed the bids to ensure technical compliance with the specifications. The review revealed technical differences between the bids of which the most problematic being that the Square D gear bid by KenCare was not in compliance with the currently planned powerhouse layout. Not only has Myers submitted a bid substantially lower than KenCare, they also take no exceptions to the specification requirements.

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Re: Blue Lake 12.47 kV Switchgear Award
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The Electric Department requests that the Assembly provide authorization for the City Administrator to issue Myers Power Products Inc. a Notice of Award, clarify and confirm the final contract price and enter into an agreement for Contract No. 2 Supply of 12.47 kV Switchgear for the Blue Lake Expansion Project based on the Bidding Documents, the Myers bid, our requests for clarification, and Myers' subsequent responses.

The anticipated contract amount will be:

Total Base Bid	(Contract Amount)	\$629,980.00
Spare Parts		\$4,624.00
Site Representative		\$13,500.00
Contingency		<u>\$62,998.00</u>
Variable Costs		\$81,122.00
Requested Authorization		\$711,102.00

The Electric Department requests that the City Administrator be given authorization to exercise change orders for variable cost of \$81,122.00. This will bring the total request for authorization to \$711,102.00.

Funding:

Adequate funding is available in the Blue Lake Third Turbine and Dam Upgrade Capital Project No. 90594.

Recommendation:

I recommend the Assembly authorize the Municipal Administrator to issue Myers Power Products Inc. a Notice of Award, clarify and confirm a final price, and enter into an agreement for Contract No. 2 the Supply of 12,47kV Switchgear for the Blue Lake Expansion Project. The maximum amount of this contract would be the amount of \$711,102.00.

Cc: Theresa Hillhouse, Municipal Attorney
Jay Sweeney, Finance Director
Dean Orbison, Blue Lake Project Manager



City and Borough of Sitka

Electric Department
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 Sitka, Alaska 99835
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 Dean Orbison, P.E.

Patrice Davezan
 Myers Power Products Inc.
 2950 E. Philadelphia St.
 Ontario, CA 91761

1/29/2013

Re: Contract 2 Supply of 12.47 kV Switchgear

Dear Patrice,

The City of Sitka is reviewing your bid on Contract 2 Supply of 12.47 kV Switchgear. The City would like to make a modification to the supply contract prior to awarding it. Please provide an adder to your bid for incorporation of the following devices in the 12.47 kV switchgear.

Item	Quantity	Description	Manufacturer and Model	Installation Requirements	Price (\$)
1	1	Discrete Programmable Automation Controller (DPAC)	Schweitzer SEL-2440, with Option 2 (48DI), panel-mount, equipped with SEL standard protocols. Include communication cable with SEL-3530.	Install above SEL-3530 in Section 5. Connect all unused contacts out to terminal blocks for Owner use.	\$2570.00 net, taxes excluded
2	13	Trip Coil Monitors	Schweitzer SEL-2652B	Install on each section for coil monitoring. Connect alarm contact for SCADA application (SEL-2440)	\$6305.00 net, taxes excluded
3	2	Trip Coil Monitors	Schweitzer SEL-2652B	Spares (Ship loose)	\$970.00 net, taxes excluded

4	2	Handreset Lockout Relays (86T1, 86T2)	Electroswitch Series 24 LOR with lighted target nameplate, 15 NO, 15 NC minimum, 125VDC	Locate on Section 1 and Section 8 to be operated by associated SEL-751A and by breaker failure signals from generator control panel (by others). Interlock with all breaker control circuits.	10114-011 \$29700 net, taxes exclude
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Please respond prior to Feb. 7, 2013.

Thank you,



Dean Orbison, P.E.
Generation Engineer



January 22, 2013

Mr. Mort McMillen
McMillen, LLC.
1401 Shoreline Drive, Suite 100
Boise, ID 83701

Subject: Bid Evaluation - City and Borough of Sitka Blue Lake Expansion Project.
Re-bid of Contract No. 2, Supply of MV Switchgear

Dear Mort,

The City and Borough of Sitka ("City") has received two bids on January 16, 2013, for the rebid of the supply of the Medium Voltage Switchgear for the Blue Lake Expansion Project.

Two bids received are as follows:

Bid Item	Description	BIDDER	
		Square D	Myers Power Products
A.1	Lump Sum Base Bid Price	\$985,380.00	\$617,165.00
A.2	Optional Spare Parts	\$8,190.17	\$4,624.00
A.3	Special Services, 6 days	\$28,080.00	\$13,500.00
	Total with All Bid Items	\$1,021,650.17	\$635,289.00

While the price differential is substantial in favor of Myers bid by \$386,361 for all Bid Items, we also reviewed the bids to ensure they are in technical compliance with the specification. The result of the review is summarized in the attachment. The following highlights the two bids with major distinguishing features:

- Square D offers the "Masterclad" model and Myers offers the "SafeGear" by ABB. Both models are in compliance with the arc-proof structure requirements in accordance with ANSI/IEEE C37.20.7. Either is technically acceptable for the purpose of compliance with the specification.
- Myers switchgear consists of eight sections as required by the Bid Drawing. The footprint complies with the floor space requirement for the project.

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- Square D switchgear consists of nine sections, one more than required eight. An extra cabinet is also needed to house the SEL-735PQ revenue meters. The combination of these two enclosures will require more floor space in the powerhouse than currently planned.
- Square D is proposing a 1200A breaker for the tie breaker. Myers is using a 2,000A breaker. The switchgear main bus is rated for 2,000A.
- Square D did not submit the listing of past similar projects claiming it is proprietary information and cannot be disclosed without approval by their customers.
- Myers provided the panel device layout drawing as required by the Instructions to Bidders. No panel device layout was submitted by Square D.
- Square D bid includes an attachment entitled "Project Clarification," which lists exceptions to arc-flash studies, witness factory tests, and on-site support services in the specification. (Square D representative later clarified it was for internal information only and should not have been attached to the bid.) No exceptions are taken by Myers to any parts of the specification.

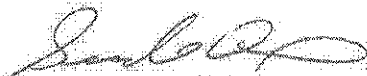
Conclusions and Recommendation

Not only has Myers submitted a bid substantially lower than Square D, they take no exceptions to the specification requirements. EES has worked with Myers in the past and found them to be technically competent and reliable. The Square D equipment is oversized for the space available and thus unsuitable for installation in the powerhouse. The extra metering cabinet and its interconnecting cables would exacerbate the space problem.

Assuming the City is satisfied with legal and commercial matters, we recommend Myers be awarded the Contract, including the recommended spare parts. The on-site services, at the City's option, could be deferred and awarded separately in the future, as needed.

Very truly yours,

EES CONSULTING, INC.



Seung K. Kim, P.E.
Project Manager

attachment

BLUE LAKE EXPANSION PROJECT
CONTRACT No. 2 - SUPPLY OF MEDIUM VOLTAGE SWITCHGEAR
BID COMPARISON OF MAJOR FEATURES

Bid Item	Description	BIDDER	
		Square D	Myers Power Products
A.1	Lump Sum Base Bid Price	\$985,380.00	\$617,165.00
A.2	Optional Spare Parts	\$8,190.17	\$4,624.00
A.3	Special Services, 6 days	\$28,080.00	\$13,500.00
	Total with All Bid Items	\$1,021,650.17	\$635,289.00
	Base Bid and Spare Parts Only	\$993,570.17	\$621,789.00
	Price Difference in Total		-\$386,361.17
	Additional Weekday Rate	\$3,078.00	\$2,250.00
	Additional Weekend Day Rate	\$4,332.00	\$3,875.00
B	Delivery (310 days)	80 days after drawing approval	Per spec (or 20 weeks after drawing approval)
Spec. Par.	Technical Items		
1.05A	Layout per Dwg 102-45-106A	No	Yes
1.05B	Project References	Not provided	Yes
1.05C	Brand/Model	Square D/"Masterclad"	ABB/"SafeGear"
	Local Representative	Sitka Electric	Gore Electric,
1.06	Delivery	See above	See above
1.08	Arc-flash evaluation and labels	Yes?	Yes
2.01A	Type 2 Arc-proof Design per ANSI C37.20.7	Yes	Yes
	Exhaust Plenum	Yes. Exhaust to outside	Yes. Exhaust to outside
	BIL	95kV	95kV
	Short Circuit Current	40 kA	40 kA
2.01C	2000A Main Bus	Yes	Yes
2.01E	Control Voltage	125VDC	125VDC
2.01G	Two-high Construction	Yes	Yes
	Number of Cubicles	9 + meter cabinet	8
	Equipment Size	324"W x 94" D x 99"H	290" W x 94" D x 95" H
	Equipment Footprint per Dwg	No.	Yes
	Floor Penetration	requires modifications	per spec
2.01H	Control Devices on switchgear	No (separate cabinet needed for SEL-735PQ's)	Yes - all relays and meters on instrument panels
2.01F	Indoor and drip-proof	No information	No information
2.01I	Finish	ANSI 61	ANSI 61
2.01J	Silver-plated contacts	Yes	Yes
2.01K	Remote racking Device	Yes	Yes

2.02	Main Bus	2000A, 40 kA	2000A, 40 kA
2.03	Main and Feeder Breakers	15 kV, 1200A, 750 MVA	15 kV, 1200A, 40 kA
	Tie Breaker (2000A)	15 kV, 1200A, 750 MVA	15 kV, 2000A, 40 kA
	Control Voltage	125VDC	125VDC
	Auxiliary contacts	5a+5b	4a+4b
	Model	Square D VR-15-75-12	ABB ADVAC 15kV, 1200A/2000A, 40kA
2.04A	Current Transformer, C100	GE Model 781, 600:5A MR	ABB Type SAB-1, 600:5A SR/MR
	Zero Sequence CT	GE Model 780	ABB Type BZY-S 50:5A
2.04B	Voltage Transformer, 0.3WXY, 1.2Z	GE Model JVM	ABB type VIZ-11
2.05	Arc-flash Detector	Not addressed	Yes
2.06	Protective Relays and PQ Meters	Yes	Yes
2.07	Control Switches	Yes	Yes
2.08	Indicating Lights	LED	LED
2.10	Control wiring	No information	#14 AWG min, 600V, SIS, FR
	CT Wiring	#10 AWG, SIS	#10 AWG, 600V, SIS
2.11	Test Switches and Devices	Yes	Yes
2.12	Nameplates and Mimic Bus	Yes	Yes
2.13	Space Heaters	Yes	Yes
2.14	Spare Parts and Tools	Test Cabinet, Test Jumper Cable, Test Cabinet, Elec Racking Device, Breaker Lift Truck, Req 120VAC	Breaker Acc Kit, Test Jumper Cable, Test Station, Racking Device, Breaker Lift Truck
3.01D	Witness FAT	Limited to 1 day	Yes
3.02	Site Installation Assistance	Yes?	Yes