

Memorandum

June 5, 2013

To: Jay Sweeny, Interim Municipal Administrator
From: Christopher Brewton, Utility Director
Subject: **Jarvis Street Diesel Capacity Increase - Award of Contract - Supply of 69kV
15/20MVA Generator Step-Up Transformer – CG Power Systems USA, Inc.**

Request:

I request Assembly approval authorizing the Interim City Administrator to issue CG Power Systems USA, Inc. a Notice of Award, clarify and confirm a final price, and enter into an agreement for supply of a 69 kV Generator Step-Up Transformer. The base contract amount would be \$353,400 plus an additional \$75,000 for seismic analysis, field services, factory witness testing, spare parts, and contingency for a total contract cost of \$428,400.

Background:

The City and Borough of Sitka posted the Request for Proposals on April 10, 2013 and bids were received from seven bidders and opened on May 9, 2013 as noted below. The base and evaluated bid results are as follows:

<u>Company</u>	<u>Base Bid</u>	<u>Evaluated Bid¹</u>
CG Power Systems USA Inc.	\$353,400	\$484,539
WEG Electric Corp.	\$445,655	\$581,966
Virginia Transformer Corp.	\$449,802	\$579,043
ABB Inc. - Summit Electric	\$493,700	\$644,508
Pennsylvania Transformer	\$562,835	\$713,701
SPX Waukesha Transformer	\$636,599	\$781,672
Niagara Transformers Corp.	Non-Responsive	

Analysis:

Based on the base bid price and the evaluated bid price, CG Power Systems Inc., is the apparent low bidder. All bidders with the exception of Niagara Transformers, whose bid was received late, submitted acceptable bids. For further price and technical analysis please reference the attached analysis from Northstar Power Engineering. The finding was that CG Power Systems USA, Inc. not only had the lowest price but met all technical specifications.

The Electric Department requests that the Assembly provide authorization for the Interim City Administrator to issue CG Power Systems USA Inc. a Notice of Award, to clarify and confirm the final contract price and enter into an agreement in an amount not to exceed \$428,400 which will be funded from the Jarvis Street Diesel Capacity Increase CI P No. 90646.

Please note that this transformer will be manufactured in Washington, Missouri, whereas most power transformers are typically manufactured in Mexico or Brazil.

¹ Evaluated bid includes projected no-load and full load transformer losses. Best value is the transformer that has the lowest overall cost including purchase price and projected losses.

JARVIS STREET 15/20 MVA GSU POWER TRANSFORMER EVALUATION- SHEET 1

NORTHSTAR POWER ENGINEERING MAY 31, 2013

ITEM	PROPOSAL COST DESCRIPTION	CG POWER SYSTEMS USA INC.	WEG ELECTRIC CORPORATION	VIRGINIA TRANSFORMER CORP.
1	Transformer Bid Price for Equipment and Freight	\$335,400	\$445,655	\$449,802
2	No Load Losses in kW Lifecycle Cost of No Load Losses	10.9 \$146,060	10.0 \$134,000	9.3 \$124,620
3	Load Losses in kW Lifecycle Cost of Load Losses	53.3 \$3,079	40.0 \$2,311	80.0 \$4,621
4	Total Life Cycle Transformer Cost	\$484,539	\$581,966	\$579,043
5	Optional Spare Parts	\$19,300	\$13,128	\$28,200
6	Seismic Analysis	\$14,700	Included	\$15,000
7	Other Options	\$15,861	\$0	\$0
8	Seller's Site Representation	\$18,000	\$11,500	\$15,000
9	Delivery Time from Date of Order	140-154 Days	182 Days	161 Days
10	Total Weight in Lbs	63,642	87,775	80,000
11	Technical Exceptions	Acceptable after Clarification	None	Clarify Exceptions
12	Technical Comments	Clarify GSU Exceptions	GSU Winding Connections Wrong	Exceptions to Terms and Conditions

JARVIS STREET 15/20 MVA GSU POWER TRANSFORMER EVALUATION- SHEET 2

NORTHSTAR POWER ENGINEERING MAY 31, 2013

ITEM	PROPOSAL COST DESCRIPTION	ABB- SUMMIT ELECTRIC SALES	PENNSYLVANIA TRANSFORMER	SPX WAUKESHA TRANSFORMER
1	Transformer Bid Price for Equipment and Freight	\$493,700	\$562,835	\$636,599
2	No Load Losses in kW Lifecycle Cost of No Load Losses	11.0 \$147,400	11.0 \$147,400	10.6 \$142,040
3	Load Losses in kW Lifecycle Cost of Load Losses	59.0 \$3,408	60.0 \$3,466	52.5 \$3,033
4	Total Life Cycle Transformer Cost	\$644,508	\$713,701	\$781,672
5	Optional Spare Parts	\$16,750	\$15,620	\$4,578
6	Seismic Analysis	Included	Not Included	Included
7	Other Options	\$19,750	\$0	\$0
8	Seller's Site Representation	\$18,300	Not Provided	\$10,725
9	Delivery Time from Date of Order	140-182 Days	210-238 Days	168-210 Days
10	Total Weight in Lbs	79,500	71,435	75,036
11	Technical Exceptions	Clarify Exceptions	Clarify Exceptions	Not Acceptable
12	Technical Comments	Verify Optional Tests	Provide Site Visit Cost	None