



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
Keith Brady, Municipal Administrator

From: Bryan J. Bertacchi, Electric Utility Director

Cc: Jay Sweeney, CFAO

Date: 3/4/2019

Subject: Award of Switchgear Procurement for Marine Street N-1 Project

Executive Summary

N-1 Capital Project (\$4.3M): The capital project to replace the forty year old Marine Street Substation is very important as this electrical substation provides service to over eighty percent of all Sitka customers. Recently, the CBS procurement policy was utilized to solicit bids for a new 12.47kV Switchgear which is a critical component to this project. Five bidders responded to the solicitation and the successful bidder was Myers Power Products, Inc. The five bidders were reviewed against a planned evaluation criteria, and Myers Power Products, Inc. was selected as the best value and specification compliant bidder. A contract between CBS and Myers Power Products, Inc. has been negotiated and a Purchase Order is being issued by CBS for the approximate \$1.1M cost. Presently, a total of \$4.3M is already appropriated for this project and no changes to existing electric rates are required to fund this project.

Details

On September 27, 2016 an Assembly Workshop detailed the Electric Department 10 Year Capital Plan. A cornerstone of this review was the N-1 Project which details the replacement of the Marine Street Substation and the critical importance of this substation to the Community. Subsequent to this Workshop the Electric Department Capital was adjusted by means of Ordinance 2016-33 (attached) and additionally by annual budget appropriations in support of the 10 Year Capital Plan. At present, the N-1 Project is #90823 with a total of \$4.3M appropriated.

The engineering required to design this replacement substation, while providing minimal interruption to our customers, is substantial. The new design takes into account future projected loads while considering our physical constraints in the Marine Street location along with limits on crane size availability in SE Alaska. Our third party engineering consulting firm, EPS, was used to assist in evaluating the bidders. The bid evaluation is attached.

Record of Opening						
12.47 kV Switchgear - Marine Street Substation						
12/4/2018 - 2:00:00 pm - Municipal Clerk's Office						
	CONTRACTOR #1	CONTRACTOR #2	CONTRACTOR #3	CONTRACTOR #4	CONTRACTOR #5	CONTRACTOR #6
Name	Siemens Industry	Wesco	AIAA (Eaton)	Myers	SPS Power Systems	
Bid Form Complete	Y	Y	Y	Y	Y	
Bidder Qualification Complete	Y	Y	Y	Y	Y	
Addendum Acknowledged	Y	Y	N	N	N	
Base Bid	\$1,280,323.00	\$1,133,728.00	\$1,098,226.00	\$1,100,330	\$877,960	
	Patrick Murphy 206-321-3484 email: pm.murphy@siemens.com	Deanna Hunter 907-865-7415 email: dhunter@wescodist.com	Deanna Conte 402-734-3900 email: deannalconte@eaton.com	Alex Palafox alex.palafox@myerspover.com alangore@goreelectric.com	Joel Underwood 920-582-7277 email: joel@switchgearpower.com	

Present: Sara Peterson, Tiffany Martin, Tony Bird

** Preliminary bid results, listed in the order opened. CBS will check responsiveness and responsibility of the bidders. **

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-33

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17 BUDGET**

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY17 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY17 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2016 and ending June 30, 2017 is hereby adjusted as follows:

<u>FISCAL YEAR 2017 EXPENDITURE BUDGETS</u>
In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2016 and ending June 30, 2017 is hereby adjusted as follows for the purchase orders open as of June 30, 2016.
General Fund -- Amount of \$219,205.38; Electric Fund - \$129,805.47; Water Fund - \$865.70; Wastewater Treatment Fund - \$19,210.09; Solid Waste Fund - \$1,503; Harbor Fund - \$42,204.92; Gary Paxton Industrial Complex Fund - \$40,106.59; MIS Fund - \$84,647.56; Central Garage Fund - \$75,394.00; and Building Maintenance Fund - \$34,811.36.
Finance -- Operations: The Finance Director has requested to re-appropriate funds in the amount of \$30,000 from personnel to contracted/ purchased services. This is due to the services performed from an outside accounting firm due to the Deputy Finance Director position vacancy.

ENTERPRISE AND INTERNAL SERVICE FUNDS	
Electric Department – Capital Projects: The Electric Utility Director has requested to re-appropriate the following projects and amounts: Jarvis Street Diesel Capacity Increase #90646 in the amount of \$244,393; SMC Road Upgrades Express Feeder #90512 for \$9,574; Marine Street Substation Voltage Regulator #90627 for \$9,150; HPR-Kramer Cascade Creek Line Riser #90645 for \$21,985; Transmission & 1220 Upgrade #90648 for \$4,519; Jarvis St. Control Building Roof Replacement #90765 for \$12,223; Microwave or Fiber Optic #90611 for \$37,618; Dual Fuel Interruptible Power #90791 for \$78,979; Jarvis Warehouse Paving #90719 for \$30,899 to the following existing and new requested projects: Feeder Improvements #80003 for \$195,838; SCADA System Enhancements #90410 for \$65,702; Capital for Fuel Conversions (Interruptible) for \$100,000; Asset Management for \$12,800; and Harbor Meters for \$75,000.	
Electric Department – Personnel: At the August 9, 2016 meeting, the Assembly approved the 2016-2019 International Brotherhood of Electrical Workers (IBEW), Local 1547 Collective Bargaining Agreement. An amount of \$79,106 in wages and benefits will be increased in the Electric Department's personnel account.	

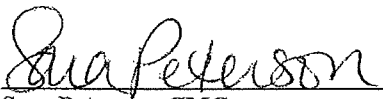
EXPLANATION

Necessary revisions in the FY 2017 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 11th Day of October, 2016.

ATTEST:


Sara Peterson, CMC
Municipal Clerk


Mim McConnell, Mayor

1st reading 9/27/16
2nd reading 10/11/16