



Ocala

110 SE Watula Avenue
Ocala, FL 34471

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Item Details

File Number: 2023-1354

ID #: 2023-1354

Type: Agenda Item

Status: Passed

Version: 1

Placement: 8

In Control: City Council

File Created: 06/22/2023

Presented By: :

Final Action: 08/15/2023

Item Title: Approve the purchase of two autotransformers from PTI Transformers, Inc. in an amount not to exceed \$8,070,340

Internal Notes:

Target Meeting: 08/15/2023

Sponsors:

Enactment Date:

Attachments: FOR COUNCIL - Transformers, PTI Transformers LP (ELE 230196), Bid Tabulation - ITB/ELE/230196, PTI Transformers Proposal - ITB/ELE/230196, PTI Transformers Pricing Information - ITB/ELE/230196

Enactment Number:

Recommendation:

Hearing Date:

Entered by: lcrouthamel@Ocalafl.org

Effective Date:

History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council	08/15/2023	Approved				Pass
	Action Text:						
	Notes:						
	Director of Electric Utility Doug Peebles clarified the pre-pandemic costs with Council Member Musleh. The City budgeted \$3.5 million before the pandemic inflated costs. The autotransformers are critical for the department's operations. He explained the autotransformers take two years to build.						
	Procurement & Contracting Officer Daphne Robinson confirmed the contract does not have an \$8 million requirement; the vendor can submit a bid over \$8 million.						
	Mr. Peebles reiterated the critical need for autotransformers.						
	Ms. Robinson confirmed the previously issued solicitation received over budget bids with Council Member Dreyer. The City resolicited outside of North America to receive an economically feasible bid.						
	Mr. Peebles confirmed the Engineering Department drafted the design with Council Member Mansfield.						

Ms. Robinson stated the City will reach out to the vendor to see if they have changed their bid.

City Attorney Sexton read the contract to Council. He confirmed the CPI-U (Consumer Price Index for All Urban Customers) is directly related to the transformer cost.

Ms. Robinson confirmed the vendor submitted a payment schedule with their bid documents. She noted the vendor's proposed bid must be supported by the CPI-U data; the City is assuming the risks.

Deputy Director of Electric Chad Lynch explained the FRED number to Council. If the City receives a bid over \$8 million, the City must come before Council for approval.

Council Member Dreyer requested the City monitor the FRED number and provide updates to Council.

City Attorney Sexton clarified the cancellation costs.

Mr. Lynch noted the FRED number does not drastically fluctuate.

Mr. Lee commented informational updates will be provided to Council.

There being no further discussion the motion carried by roll call vote.

Aye: 5 Council President Mansfield, Council Member Bethea Sr, Pro Tem Dreyer, Council Member Musleh, and Council Member Hilty Sr

Text of Legislative File 2023-1354

Submitted By: Lisa M. Crouthamel

Presentation By: Doug Peebles

..end

Department: Electric Utility

STAFF RECOMMENDATION (Motion Ready):

Approve the purchase of two autotransformers from PTI Transformers, Inc. in an amount not to exceed \$8,070,340

..end

OCALA'S RELEVANT STRATEGIC GOALS:

Operational Excellence

PROOF OF PUBLICATION:

Bid released to Public: 4/13/23

BACKGROUND:

Dearmin substation is located in the Southeast quadrant of the City's electrical system. This substation is one of three substations that house autotransformers. Dearmin substation houses two 230kV autotransformers that are 45 years old and projected to exceed their maximum limit by 2027. These autotransformers convert 230,000 volts (230kV) to 69,000 volts (69kV), then transmit to all other substations. Reliability planning for future load growth requires replacing the existing transformers with upgraded transformers.

FINDINGS AND CONCLUSIONS:

On April 13, 2023, the City issued its Invitation to Bid ("ITB") No.: ELE/230196 Autotransformers- Dearmin Substation to the public. The bid closed on May 30, 2023, with two vendors submitting bids. PTI Transformers, Inc. was found to be the lowest bidder meeting all required specifications.

FISCAL IMPACT:

Funding for this project is budgeted in account #332-032-167-531-69-65010.

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PROCUREMENT REVIEW:

These goods and services were procured in compliance with the City's Procurement Policy.

LEGAL REVIEW:

This Agreement will be reviewed and approved for form and legality by City Attorney, William E. Sexton.

ALTERNATIVE:

- Approve with Changes
- Table
- Deny

