



Legislation Details (With Text)

File #: 2024-0865
Type: Agenda Item **Status:** Passed
File created: 2/21/2024 **In control:** City Council
On agenda: 3/5/2024 **Final action:** 3/5/2024
Title: Approve the purchase of three power transformers and one lot of spare parts from Virginia Transformer Corp. in the amount of \$5,726,568

Sponsors:

Code sections:

Attachments: 1. FOR COUNCIL - Agreement for Supply and Delivery of Power Transformers - Virginia Transformer Corp (ELE 240044), 2. BID TABULATION

| Date | Ver. | Action By | Action | Result |
|----------|------|--------------|----------|--------|
| 3/5/2024 | 1 | City Council | Approved | Pass |

Submitted By: Lisa M. Crouthamel

Presentation By: Doug Peebles

Department: Electric Utility

STAFF RECOMMENDATION (Motion Ready):

Approve the purchase of three power transformers and one lot of spare parts from Virginia Transformer Corp. in the amount of \$5,726,568

OCALA'S RELEVANT STRATEGIC GOALS:

Operational Excellence

PROOF OF PUBLICATION:

Bid released to the public October 24, 2023

BACKGROUND:

The Airport Substation is strategically situated in the southwest quadrant of the City's electrical infrastructure. As one of twenty distribution substations in the City's service territory, it plays a pivotal role in power distribution. At present, the Airport Substation accommodates two 69,000-volt (69kV) power transformers, both of which have been in service for 35 years and are anticipated to surpass their maximum operational lifespan by the year 2029.

These aging power transformers are responsible for converting an incoming 69kV to a lower voltage of 12,470 volts (12kV) before distributing it to end customers. Considering future load growth and in adherence to reliability planning principles, it has become imperative to replace the existing transformers with upgraded

counterparts. This proactive measure will ensure sustained and enhanced operational efficiency to meet the evolving demands on the electrical system.

The third transformer will be installed at Shaw Substation to meet the future demands of the load growth in the southwest quadrant.

FINDINGS AND CONCLUSIONS:

On October 26, 2023, the City issued its Invitation to Bid (ITB) No.: ELE240044 Power Transformers 25/33.3/41.6 MVA to the public. The bid closed December 1, 2023, with three vendors submitting bids. Virginia Transformers, Corp., was found to be the lowest bidder meeting all required specifications.

| Bidder Name | Office Location | Total Bid Amount |
|------------------------------|-----------------|------------------|
| Virginia Transformer Corp. | Roanoke, VA | \$5,726,568.00 |
| GE Prolec Transformers, Inc. | Conover, NC | \$6,151,155.00 |
| Superior Power Products, LLC | Windermere, FL | \$7,460,400.00 |

FISCAL IMPACT:

Funding for the transformer purchase is budgeted in the appropriate accounts as detailed below:

Shaw Substation (1) #332-032-183-531-69-65010 = \$1,892,556.

Airport Substation (2 and one lot of spare parts) #332-032-184-531-69-65010 = \$3,834,012.

PROCUREMENT REVIEW:

These goods 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