

 CITY OF ST. CHARLES ILLINOIS • 1834	AGENDA ITEM EXECUTIVE SUMMARY		Agenda Item number: 5.H
	Title:	Recommendation to Approve a Resolution to Authorize Issuing a Purchase Order to Contactor “X” for the Reconditioning of Transformer 3T1	
	Presenter:	Paul Hopkins – Public Works Manager – Electric Services.	
Meeting: Government Services Committee		Date: February 26, 2024	
Proposed Cost: \$ 640,000 Not To Exceed amount		Budget FY 25 Requested Amount: \$ 515,000	Not Budgeted: <input type="checkbox"/>

Executive Summary (if not budgeted, please explain):

The transformer (3T1) at the City Hall Substation 3 has been in operation since 1983 and is scheduled to be replaced in May 2024. During the process of procuring the replacement transformer there have been extremely long lead times, in excess of 100 weeks and at an estimated cost of \$1,275,000. Recently, the Industry has experienced price increases approaching up to 400% above previous long-term stable prices. Staff has found it necessary and prudent to seek out additional avenues for procuring substation transformers. It is a normal Industry practice to recondition transformers that have not experienced major electrical issues.

The City released a request for bids for reconditioning service of our transformer (3T1) at City Hall Substation 3 that is currently in operation. The bid scope includes the removal of the transformer prior to the arrival of the new replacement transformer, roundtrip transportation and reconditioning of the transformer and providing a warranty. (The reconditioning process is comprised of two steps: first, the transformer is visually inspected and tested, internally and externally, for electrical issues and proper operations, second, after passing the inspection/testing, all oils and auxiliary components are replaced, the exterior is refinished, and then the transformer is retested for electrical issues and proper operations.) A recent failure of some components in the transformer tap changer will increase the original estimated cost.

The City is scheduled to receive three bids on March 1st, which will be evaluated and awarded to the low responsible bidder. The City has not previously refurbished a substation transformer, but as noted above, this is a prudent avenue for the Utility. Staff will conduct thorough reviews of all references provided, and award will be based on lowest responsible bidder with positive reviews and similar project experience.

Attachments (please list):

None

Recommendation/Suggested Action (briefly explain):

Recommendation to Approve a Resolution to Authorize issuing a Purchase Order to low responsible bidder for the reconditioning of Transformer 3T1 being replaced at City Hall Substation 3.