

	AGENDA ITEM EXECUTIVE SUMMARY		Agenda Item Number: 5.b
	Title:	Recommendation to award the Bid to Delta Star for Transformer Replacement at Substation 6	
	Presenter:	Paul Hopkins	
Government Services Committee		Date: September 28, 2020	
Proposed Cost: \$ 701,390		Budgeted Amount: \$ 800,000	Not Budgeted: <input type="checkbox"/>
<p>Transformer (6T2) is to replace the current transformer which is 40 years old (built in 1981) and which has a rusting base. Substation 6, located at Prairie Street, north of 14th Street, serves the Southwest quadrant of the City and is the only substation within the City's Electric Utility that does not have a direct 34 kV circuit feeding into it, and consequently it is important to have two viable substation transformers operating to enable load sharing within the station and through the City's transmission network.</p>			
<p>Attachments :</p> <p>*Bid Comparison *Suppliers List for Transformer Replacement REBID *Negometrix 3 Invitation to Bid *Bidder References Evaluation *Electric Engineering Bid Evaluation</p>			
<p>Recommendation/Suggested Action:</p> <p>Recommendation to award the bid to Delta Star for Transformer Replacement at Substation 6 in the amount of \$701,390.</p>			

Company Name	Contact person	Invitation sent
-	tlubniewski@tdproducts.com	Jun 16 2020 8:57 AM
MC Sales INC	matt.g@mcsalesinc.com	Jun 16 2020 8:57 AM
-	rfq@deltastar.com	Jun 16 2020 8:57 AM
-	sectodd@sbcglobal.net	Jun 16 2020 8:57 AM
-	jimc@pwrone.com	Jun 16 2020 8:57 AM
ELECTROTECNICA ARTECH	gonzalo.setien@artech.com	Jun 16 2020 8:57 AM
Fleming Electric Inc.	erinsmith@flemingelectric.us	Jun 16 2020 8:57 AM
PTTI	kkaranza@patransformer.com	Jun 16 2020 8:57 AM
Virginia Transformer	tom_aikens@vatransformer.co	Jun 16 2020 8:57 AM
Advanced Electrical Resources	swilson@aers1.com	Jun 16 2020 8:57 AM
-	mpickering@howard-ind.com	Jun 16 2020 8:57 AM

[illegible]

Participant
-
Yes
-
-
-
No
No
No
Yes
Yes
-

Virginia Transformer			e-mail request	Reply		doc attached	Xfmr age	Reccommend		Notes	Grade
	Person	Company		by phone	by email			Yes	No		
	Blair Davis (Hunter Allen)	Athens Utilities	7/31/2020	X	X	X	7	X		Serious problems	1
	Ross Aten	Lyntegar Electric Coop	7/31/2020		N/A						
	WM. Kim Hensley	Huntsville Utilities	7/31/2020		X	X	17	X		Some problems	3
	Doug Lunkenbil	KCPL	7/31/2020		N/A						
	Nate Burns	Lane-Scott Electric Coop	7/31/2020		X	X	6	X			3
	Bruce Webb	Knoxville Utilities (Delta Star Ref)	8/3/2020	X		X	N/A		X	Has only 2 VT's	1
	Brian Groth	Naperville	3/13/2020	X		X			X	Only troubles	1
											1.8
								Notes: VT quote does not include travel to factory testing - maybe they don't want us there....			
WEG	Patrick Wright	Exelon/Comed	8/4/2020		X	X	12	X		Leaks	4
	Paul Mushill	Ameren	8/4/2020		X	X	4	X			4
	Chris Baumgartner	WE Energies	8/4/2020		X	X	5	X		Leaks	3
	Fred Ipock	City Utilities of Springfield Missouri	8/4/2020		X	X	3	X		gauge problem	4
	Dan Andrekus	Alliant Energy	8/4/2020		X	X	2	X			4
											3.8
Delta Star	Bruce Webb	Knoxville Utilities Board	8/4/2020	X		X	20	X		crimp problem	4
	Samuel Wilson	Rappahannock Electric	8/4/2020		X	X	30+	X			5
	Simon Meilstrup	Cloverland Electric Coop	8/4/2020		X	X	20	X		All positive	5
	Jeffrey Gragert	Xcel Energy	8/4/2020		X	X	N/A	X		All positive	5
	Ray Cimuca	Arkansas Electric Coop	8/4/2020				N/A				
											4.75

Transformer 6T2 is to replace the current transformer which is 40 years old (built in 1981) and has an ominous rust spot on the bottom.



The transformer serves residential load to customers on the South West side of town.

The city has received 6 bids as shown in the spreadsheet *Bid compare.xlsx*. The lowest bidder was Virginia Transformer at an initial cost of \$535,577.00 with a lifetime cost of \$868,163.40. Virginia took no exception to the technical part of the specification, but when repeatedly pressed to provide documentation that they can comply with the RV winding spec and the coil sizing requirement. Virginia sent this email:

Sittler, Erika

From: Brian McCarrick <Brian_McCarrick@vatransformer.com>
Sent: Monday, August 10, 2020 4:17 PM
To: Sittler, Erika
Cc: Ed Kometscher
Subject: RE: Follow up on transformer clarifications / M202501A - St Charles
Attachments: Approved Drgs_FormerTron_7.13.20.pdf

Erika,

VTC-Roanoke factory included iso-static coil sizing in our proposal without exception as we have the equipment on order for installation at VTC-Roanoke later this year and your unit would be produced in 2021 with the new iso-static coil sizing equipment; attached is the approval drawing of the iso-static coil sizing equipment we have on order to ship later this month and confirmed we will be utilizing on your unit (should VTC be successful in award of project). Further, VTC takes pictures throughout the manufacturing process and so can provide pictures of your units' fully distributed helical RV winding and iso-static coil sizing during the manufacturing process and provide photos to provide complete evidence that specifications were indeed met. Please let me know if any questions. Thank you and have a great afternoon!

Sincerely,

Brian McCarrick
Regional Sales Manager
Virginia Transformer – Georgia Transformer
Mobile: 540-581-2825
Office: 540-682-5229
E-Mail: Brian_McCarrick@vatransformer.com
<http://www.vatransformer.com>



In the email above VT states that they do not yet have the sizing equipment that would be required to build the specified transformer. Since the email above was sent to me in the 11th hour after not taking exception to the spec and only after being pressed to show us a picture of their sizing equipment Virginia Transformer appeared to be dishonest. The City took the email above as taking exception to the isostatic coil sizing and rejected Virginia's bid.

In addition, after checking the references that were provided by VT and also checking with a few other utilities that own Virginia transformers, the consensus is that the transformers built by VT are generally low quality. Please see the spreadsheet *Ref compare.xlsx*.

The second lowest bid came from WEG at \$600,600.00, similarly to VT, when pressed to show proof (in the form of pictures) that they are able to meet the Regulator Winging and isostatic coil sizing spec, the following email was sent in the 11th hour after WEG has repeatedly assured me that they will meet the spec:

Sittler, Erika

From: jimc@pwrone.com
Sent: Wednesday, August 12, 2020 11:18 AM
To: Sittler, Erika
Subject: Fwd: St Charles transformer bid
Attachments: RV Windings.pdf; ATT00001.htm

Erika,

Please attached.

Best Regards,
Jim Chaggaris
PowerOne Corp.
Cell 630.669.2241

Begin forwarded message:

From: Andrew L Kassebaum <akassebaum@weg.net>
Date: August 12, 2020 at 11:12:59 AM CDT
To: Jim Chaggaris <jimc@pwrone.com>
Cc: Cheryl Basel <cbasel@weg.net>, Alexander Crews <acrews@weg.net>
Subject: RE: St Charles transformer bid

Good Afternoon,

The original proposal is designed with a tapped helical regulation winding. We consider this a fully distributed winding as it has magnetic symmetry across all taps. We can change the design to a Multistart regulation winding which also has magnetic symmetry. This would be an adder of \$39,800.

Attached is a brief comparison of the 2 windings.

Note to Jim: The price adder includes the cost of the design changes as well as the additional losses.

Best Regards,

Andrew Kassebaum
Sales & Marketing
Phone: +1 (636) 239 9388
WEG Transformers USA
One Pauwels Drive, Washington Missouri 63090, USA

By industry standards the tapper regulation winding is not fully distributed. WEG does offer another winding in the email but for an up price of \$39,800. This appeared to be dishonest and did not meet the spec, so WEG was eliminated.

The next low bidder was from Advanced Electrical Resources quoting a Delta Star transformer. The bid had no exceptions and Delta Star transformers appear to be highly reliable as was the testimony from all the references that they provided. Please see the *Ref compare.xlsx* spreadsheet.