ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommendation to Award Contract for the Purchase of Pad Mounted Capacitor Banks to Wesco (ABB)
Presenter:	Tom Bruhl

Please check appropriate box:

	Government Operations	X	Government Services 05.29.2012
	Planning & Development		City Council
	Public Hearing		

Estimated Cost:	$82,672	Budgeted:	YES	X	NO	

If NO, please explain how item will be funded:

Executive Summary:

Capacitor banks are a component on the electric distribution system that improve what is known as power factor. Power factor is a measure of real or working power compared to non-working or reactive power. A more complete explanation can be found in the attachment. By installing capacitor banks on our lines, we improve our power factor and reduce our cost of power. Systems with higher power factors run with less losses and have greater capacity to transmit power. Another added benefit for capacitor banks is that they stabilize voltage on the system, much like a water tower stabilizes water pressure. The City requested quotations from four firms for specialized switchgear and received four quotes. The ABB unit provided through Wesco was the low bid. A capacitor bank will pay for itself by reducing loss on the system. The estimated return on investment for our capacitor installations would range from two to eight years. The two units purchased here are planned for locations where hours of operation will be greater than 80%, resulting in the best return on investment.

Attachments: *(please list)*

Quote Tabulation
Bid waiver request form
Power Factor Explanation

Recommendation / Suggested Action *(briefly explain)*:

Recommend approval to waive bids and award contract for (2) two Pad Mounted, 1,200kVAR, 12kV Capacitor Banks to Wesco for a not to exceed price of $82,672.

For office use only:	*Agenda Item Number: 4.n*

REQUEST FOR WAIVING BID PROCEDURE

We request the City Council to waive the bid procedure and accept the quotation (requiring two-thirds City Council vote) submitted by:

Wesco
723 Oaklawn Avenue
Elmhurst, IL 60126

For the purchase of: (2) – Two Padmount, 1,200kVAR, 12kV Capacitor Banks

At a cost not to exceed: $ 80,264

Reason for the request to waive the bid procedure: The City sent out a request for proposal for a custom engineered specialty product. The requests went to four companies, and we received three responses. The ABB unit through their distributor, Wesco, was the low priced quote.

Other Quotations Received: Gilbert and Federal Pacific.

Date: 5/29/2012

Requested by: T. Bruhl

Department Director: _____

Purchasing Manager: _____

Committee Chairman: _____

THIS REQUEST FORM MUST BE SIGNED BY ALL PARTIES PRIOR TO REQUESTING COMMITTEE APPROVAL FOR WAIVING OF THE BID PROCEDURE. REQUESTS FORWARDED DIRECTLY TO THE CITY COUNCIL (AND BYPASSING COMMITTEE) MUST BE SIGNED BY ALL PARTIES PRIOR TO REQUESTING CITY COUNCIL APPROVAL. SUCH REQUESTS ARE TO BE OF AN EMERGENCY NATURE WHERE TIME IS OF THE ESSENCE.

City of St. Charles

Capacitor Bank Pricing Sheet

Product	Cooper	ABB	Gilbert	FPE	Notes/Comments
Loop-Feed Padmount 600 kVAR with 2-600 amp loadbreak manual switches	No Bid	$38,862.00	$53,150.00	$45,660.00	ABB offers lowest BID Price!
Lead Time		14 - 16 Weeks	16 - 18 Weeks	18 - 20 Weeks	
Loop-Feed Padmount 1200 kVAR with 2-600 amp loadbreak manual switches	No Bid	$41,336.00	$55,625.00	$47,922.00	ABB offers lowest BID Price!
Lead Time		14 - 16 Weeks	16 - 18 Weeks	18 - 20 Weeks	

All above pricing does not include the electronic capacitor control unit, which will be purchased separately.

Please provide additional information in comments section, if there is reduced pricing for quantities and at what quantity value.

April 16, 2012