

KPU



Your Community, Your Utility

General Manager
334 Front Street
Ketchikan, AK. 99901

(907) 228-5603 phone
(907) 225-5075 fax

7b(1)

TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting General Manager

DATE: August 10, 2022

RE: **Budget Transfer and Award of Contract No. 22-17 – Padmount Transformers, General Pacific, Inc.**

In adopting the 2022 Ketchikan Public Utilities Operating & Capital Budget, the City Council allocated \$90,000 to the Electric Division's Transformer Purchase capital account. As indicated in the attached transmittal memorandum from Electric Operations Manager Mark Adams, the Electric Division advertised for and received sealed bids for contract No. 22-17, Padmount Transformers. Four bids were received and were publicly opened on July 18, 2022 in the City Clerk's Office. Mr. Adams' report contains a summary of the bids received.

General Pacific, Inc. submitted the apparent low bid meeting specifications in the amount of \$84,426. Mr. Adams is recommending the contract award be made to General Pacific, Inc. A notice of Intent to Award was issued to all bidders on August 5, 2022 and as of the date of this memorandum, no appeals have been received.

As Mr. Adams details in his attached transmittal memorandum, while funds were budgeted for transformer purchases, the allocated funds have nearly been exhausted. A budget transfer in the amount of \$80,000 from the Electric Division's 2022 Technical Services account (Account No. 635.12) will be necessary to fund the contract award. As also explained by Mr. Adams, transformers have been in high demand with costs constantly fluctuating. The \$84,426 contract award will secure the Electric Division's build of the transformers, and updated pricing and a corresponding change order will likely be forthcoming later this year or in early 2023.

The Acting Electric Division Manager will be attending the City Council meeting of August 18, 2022, in order to address any questions that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended that the City Council adopt the motion awarding Contract No. 22-17, Padmount Transformers, to General Pacific, Inc. in the amount of \$84,426; authorizing a budget transfer in the amount of \$80,000 from the Electric Division's 2022 Technical Services account (Account No. 635.12) to the Electric Division's 2022 Transformer Purchase capital account; authorizing funding in the amount of \$84,426 from the Electric Division's 2022 Transformer Purchase capital account; and directing the Acting General Manager to execute the contract documents on behalf of the City Council.

Recommended Motion: I move the City Council award Contract No. 22-17, Padmount Transformers, to General Pacific, Inc. in the amount of \$84,426; authorize a budget transfer in the amount of \$80,000 from the Electric Division's 2022 Technical Services account (Account No. 635.12) to the Electric Division's 2022 Transformer Purchase capital account; authorize funding in the amount of \$84,426 from the Electric Division's 2022 Transformer Purchase capital account; and direct the Acting General Manger to execute the contract documents on behalf of the City Council.



Electric Division
1065 Fair Street
Ketchikan, AK 99901

Phone: (907) 225-5505
Fax: (907) 247-0755

Memorandum

To: Lacey G. Simpson, Acting KPU General Manager

From: Mark Adams, Electric Operations Manager

Date: August 5, 2022

Subject: **Budget Transfer & Award of Contract 22-17 Padmount Transformers**

Ketchikan Public Utilities, Electric Division (KPU) requests authorization to award Contract No. 22-17 Padmount Transformers to General Pacific, Inc. in the amount of \$84,426, and authorize a \$80,000 budget transfer from Technical Services (Account #635-12). Funds are available from Technical Services due to no bids being received for 2022's Utility Tree Pruning contracts. Please note that General Pacific's ERMCO bid amount is to secure a build slot for the transformers in the 1st quarter of 2023. A change order to secure final pricing will be presented for City Council approval in late 2022 or early 2023. KPU has found that ERMCO transformers are frequently the most affordable units, and this bid is most advantageous to the utility.

A Request for Bids (RFB) was issued on June 30, 2022, with received bids being publicly opened at the City Clerk's office on July 28, 2022. The bids are as follows:

- General Pacific, ERMCO Transformers: \$84,426 to secure build slot; 1st quarter 2023
- General Pacific, Howard Transformers: \$168,970; 1st quarter 2023
- Integrated Power Systems, Larson Electronics Transformers: \$187,204; 4th quarter 2023
- Wesco Distribution, Power Partners Transformers: Non-Responsive (polemount transformers, not padmounted transformers; \$138,000; manufacturer's quote expired; freight charges incomplete
- Wesco Distribution, T&R Electric Transformers: Non-Responsive (reconditioned transformers, not new; polemount and padmount); no price provided; 1st quarter 2024

A Notice of Intent to Award was sent to the respective bidders on August 5, 2022.

Background

KPU budgeted \$90,000 in 2022's Capital Improvement Project #18 Transformer Purchase account. As of August 1, 2022, only \$28,900 remained. Due to high demand and nationwide supply chain challenges, 2022 has seen an unprecedented rise in transformer costs and delivery

lead times. Prices have dramatically surpassed KPU's traditional means of acquiring transformers via competitive bids as allowed by Ketchikan Municipal Code (KMC) 3.12.040 (b).

In June, 2022, KPU issued an RFB for transformers (both padmount and polemount transformers), with zero (0) bids received. The RFB documents were revised to split padmount and polemount transformers into separate contracts, respectively, and to allow for an extra week of open bidding time.

KPU must ensure an adequate inventory of transformers as critical spares for existing units installed in the system, and to meet the needs of new and upgraded electrical loads throughout the community. The additional amount being requested under the budget transfer is intended to provide funding to allow KPU to make small scale unforeseen transformer purchases for the remainder of the year, and also to provide the basis for the expected change order.

Recommendation:

It is recommended that the City Council award Contract No. 22-17 Padmount Transformers to General Pacific, Inc. in the amount of \$84,426; and authorize a \$80,000 budget transfer from Technical Services (Account 635-12) to the Electric Division's Transformer Purchase Capital Improvement Project account.

cc: Jeremy Bynum, PE, Acting Electric Division Manager

Attachments:
General Pacific ERMCO Bid
CIP #18 Transformer Purchase



KETCHIKAN BID	22-17
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DATE: 7-27-22

MANUF'R : ERMCO	XFMR TYPE	QTY	LV	KVA	'2023	'2023	* QUOTE PRICE
					PROD SLOT	DELIVERY	
	1PH PADMT	3	240/120	15	1/9/2023	2/21/2023	\$ 6,005.00
		7	240/120	25	1/9/2023	2/21/2023	\$ 6,345.00
		3	240/120	50	1/9/2023	2/21/2023	\$ 7,332.00

Stella Frahm

Inside Sales

sfracm@generalpacific.com

m

Direct 503-907-2845

22414 NE Townsend Way,
Fairview, OR 97024

www.generalpacific.com

Note any clarifications under the "description" headings of the quotes.
If we receive an order referencing these quotes,
pricing will need to be adjusted in the quarter prior to production.

* See Exception Statement Letter
• NO Liquidated Damages
• Pricing is for Production Slots (explained in letter)
8

Ketchikan Public Utilities
Distribution Transformers Contract No. 22-17

KPU Procurement

EXCEPTION STATEMENT 27-July-2022

Thank you for the opportunity to provide the attached quote.

SK *

LINE 4. Because of the current market conditions, General Pacific Inc will not enter into any agreement that includes liquidated damages. We apologize for the inconvenience and appreciate your considerations in this trying time.

SK *

The pricing for the ERMCO transformers is budgetary and we would be looking at roughly a late Q1-2023 build – the transformers would also be repriced the quarter before production.

SK *

Production slots will be assigned once an order is placed.

Please let us know if you have any questions or need any information.

Thank you,

General Pacific, Inc.
22414 NE Townsend Way
PO Box 70
Fairview, OR 97024

Stella Frahm
7/28/22

BID PROPOSAL

KETCHIKAN PUBLIC UTILITIES
 PADMOUNT TRANSFORMERS
 CONTRACT NO. 22-17

General Pacific, Inc.
 22414 NE Townsend Way
 PO Box 70
 Fairview, OR 97024

Ketchikan Public Utilities
 334 Front Street
 Ketchikan, Alaska 99901

General Pacific, Inc.
 22414 NE Townsend Way (Bidder)
 PO Box 70 (Proposal No.)
 Fairview, OR 97024 7/28/22 (Date)

- Pursuant to your Advertisement for Bids Inviting Proposals for furnishing the item(s) described herein, the undersigned Bidder hereby certifies and represents that it has examined and thoroughly understands these Contract Documents, consisting of Advertisement for Bids, Bidding Regulations, Bidder's Proposal, Technical Specifications, and Addenda, receipt of which is acknowledged below:

Addendum No.

Date

N/A
 N/A

- The undersigned Bidder, having made such examinations and reached such understandings:
 - Agrees that this Proposal shall remain in force for at least thirty (30) calendar days after official opening of Bids; and
 - Accepts the obligations of a Bidder incurred by submitting this proposal; and
 - Agrees to the rights reserved to the Owner including, but not limited to, rights set forth in the Advertisement for Bid and Bidding Regulations.
- The undersigned Bidder hereby proposes and agrees to furnish equipment that meets all approved specifications, F.O.B. Ketchikan, Alaska, for the prices and within the delivery times set forth below. Where no bid is intended write "No Bid".

Item/Part	Description	Deviations from Specifications (Yes* or No)	Delivery Time
1	120/240V Padmount Transformers	<u>NO</u>	<u>FEB '23</u>

* These bid documents list the preferred specifications for the transformers. If the bid is based on a transformer that deviates from these, please provide detailed specifications about the transformers for KPU's use when evaluating the bids. With this information, also list other utilities that are using the same type of transformers.

4. The transformers shall be delivered at Ketchikan complete not later than specified time after receipt of the purchase order. The Bidder agrees to pay liquidated damages of twenty-five dollars (\$10.00) per day on each item of equipment not delivered within the specified time.

- Basis of award will be the bid that is most advantageous to the City with respect to price and/or delivery time. The City of Ketchikan/Ketchikan Public Utilities reserves the right to reject any or all bids and to waive any informality or technicality in the interest of the City.

6. Sealed Bids must be received (electronically or hard copy) by 1:30 PM July 28, 2022. Submit Responses:

- a. **Electronically:** Through the City of Ketchikan website www.ktn-ak.us, click on the link at the right side of the page labeled "Bids" to begin the Electronic Bid Process.

AND/OR

- b. **Hard Copies By Mail:** City Clerk, City of Ketchikan, 334 Front Street, Ketchikan, Alaska 99901. Mark submittals as "Padmount Transformers, Contract No. 22-17"

PART 1

120/240V SINGLE-PHASE PADMOUNTED DISTRIBUTION TRANSFORMERS

<u>kVA</u>	<u>Quantity</u>	<u>Price/Each</u>	<u>Total Price</u>
15kVA	Three (3)	\$ 6005-	\$ 18,015-
25kVA	Seven (7)	\$ 6345-	\$ 44,415-
50kVA	Three (3)	\$ 7332-	\$ 21,996-

Total
13

* Full price for Part 1: 120/240V Single Phase Padmounted Distribution Transformers, F.O.B., Ketchikan, Alaska, at a total price of:

US Dollars (\$ 84,426-)

Delivery Time: * PRODUCTION SLOTS ALLOCATED FOR '2023 - *PRICING WOULD FIRM UP THE QUARTER BEFORE PRODUCTION. Days

* PRODUCTION SLOTS ALLOCATED
FOR '2023 - *PRICING WOULD
FIRM UP THE QUARTER BEFORE
PRODUCTION.

Stahm

BASIS OF AWARD

The Basis of Award shall be lowest Dollar Amount for Part 1

Full Dollar Amount for Bid Part 1 (Lump Sum) <u>Basis of Award</u>	
\$ <u>84,426⁰⁰xx</u>	(Lump Sum)
<u>Dollar Amount Written</u> <u>Eighty-four Thousand-Four-hundred-twenty Six ⁰⁰xx</u> (Lump Sum)	

The party by whom this Proposal is submitted and by whom the Contract will be entered into if the Proposal is accepted is a/an

Stella FRAHM

Individual

General Pacific, Inc.
 22414 NE Townsend Way
 PO Box 70
 Fairview, OR 97024

Business Address

City, State, Zip

Inside Sales Cooperative Distributor

Partnership or Corporation

503-9071 2845
 Telephone Number / Fax Number

sfrahm@generalpacific.com
 Email Address

to which address Notice of Acceptance of Proposal and all other written notices may be mailed or delivered until further written notice is given the Owner.

General Pacific, Inc.
 22414 NE Townsend Way
 PO Box 70
 Fairview, OR 97024

Name of Bidding Organization

By:

Stella Frahm
 Legal Signature of Authorized Person

STELLA FRAHM - Inside Sales
 Printed Name & Title of Authorized Person

The undersigned hereby certifies and represents to the Owner that the person signing this proposal on behalf of the Bidder is authorized to do so.

Partner of Partnership or Official of Corporation

NON-COLLUSION AFFIDAVIT

CITY OF KETCHIKAN)
) ss.
KETCHIKAN, ALASKA)

Stella Frahm, first being duly sworn, on his oath says that the bid above submitted is a genuine and not a sham or collusive bid, or made in the interest or behalf of any person not herein named, and he further says that the said bidder has not directly or indirectly induced or solicited any bidder on the above work or supplies to put in a sham bid, or any other person or corporation to refrain from bidding; and that said bidder has not in any manner sought by collusion to secure to HER self an advantage over any other bidder or bidders.

General Pacific, Inc.
22414 NE Townsend Way
PO Box 70
Fairview, OR 97024

CONTRACTOR

Subscribed and sworn to before me this _____ day of _____, 20____.

NOTARY PUBLIC FOR ALASKA

My Commission Expires:

Division: Electric					Project Priority: 18		Project Number:		
Project Title: Transformer Purchase					Start Date: 01/22 End Date: 12/26		Estimated Project Cost:		
Description: This capital account funds the routine and preventative replacement and upgrades of both pole mounted and pad mounted transformers throughout the system. Projected increases are anticipated due to the expected rise in the price of metals.							Design Land/Right-of-Way Construction Management Construction Equipment 500,000 Other Project Total 500,000		
Source of Funds	Prior Years	Adopted 2022			Projected Requirements				Total Project
		Reappro- priated	New Funding	Total	2023	2024	2025	2026	
Revenue Generating Fund			90,000	90,000	95,000	100,000	105,000	110,000	500,000
Total			90,000	90,000	95,000	100,000	105,000	110,000	500,000