

**KPU***Your Community, Your Utility*

**General Manager**  
 334 Front Street  
 Ketchikan, AK. 99901

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

TRANSMITTAL MEMORANDUM
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**TO:** The Honorable Mayor and City Council

**FROM:** Lacey G. Simpson, Acting General Manager

**DATE:** September 26, 2022

**RE: Budget Transfer and Award of Contract No. 22-21 – Polemount Transformers, Wesco/Anixter**

In adopting the 2022 Ketchikan Public Utilities Operating & Capital Budget, the City Council appropriated \$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. 22-21, Polemount Transformers. Two bids were received and were publicly opened on September 23, 2022 in the City Clerk's Office. Mr. Adams' report contains a summary of the bids received.

Wesco/Anixter submitted the apparent low bid meeting specifications in the amount of \$118,374. Mr. Adams is recommending the contract award be made to Wesco/Anixter. A notice of Intent to Award was issued to all bidders on September 26, 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 \$110,000 from the Electric Division's 2022 Technical Services account (Account No. 635.12) will be necessary to fund the contract award and also allow for small scale unforeseen transformer purchases for the remainder of the year. As explained by Mr. Adams, transformers have been in high demand and nationwide supply chain challenges have driven an unprecedented rise in transformer costs and delivery lead times. The \$118,374 contract award will ensure an adequate amount of critical spare transformers in the Electric Division's inventory.

The Acting Electric Division Manager will be attending the City Council meeting of October 6, 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. 22-21, Polemount Transformers, between Ketchikan Public Utilities and Wesco/Anixter in the amount of \$118,374; authorizing a budget transfer in the amount of \$110,000 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 \$118,374 from the Electric Division's 2022 Transformer Purchase capital account; and directing the General Manager to execute the contract documents on behalf of the City Council.

**Recommended Motion:** I move the City Council award Contract No. 22-21, Polemount Transformers, to Wesco/Anixter in the amount of \$118,374; authorize a budget transfer in the amount of \$110,000 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 \$118,374 from the Electric Division's 2022 Transformer Purchase capital account; and direct the General Manager 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:** September 26, 2022

**Subject:** **Budget Transfer & Award of Contract 22-21 Polemount Transformers**

Ketchikan Public Utilities, Electric Division (KPU) requests authorization to award Contract No. 22-21 Polemount Transformers to Wesco-Anixter, in the amount of \$118,374, and authorize a \$110,000 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.

A Request for Bids (RFB) was issued on August 26, 2022, with received bids being publicly opened at the City Clerk's office on September 23, 2022. The bids are as follows:

- Wesco-Anixter: \$118,374; early-2023
- General Pacific: \$176,226; late-2023 to early-2024

A Notice of Intent to Award was sent to the respective bidders on September 26, 2022.

### Background

KPU budgeted \$90,000 in 2022's Capital Improvement Program #18 Transformer Purchase account. As of September 26, 2022, only \$24,088 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 quotes 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. On August 18, 2022 City Council approved the award of Contract No. 22-17 Padmount Transformers.

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.

**Recommendation:**

It is recommended that the City Council award Contract No. 22-21 Polemount Transformers to Wesco-Anixter, in the amount of \$118,374; and authorize a \$110,000 budget transfer from Technical Services (Account 635-12) to the Electric Division's Transformer Purchase Capital Improvement Program account.

cc: Jeremy Bynum, PE, Acting Electric Division Manager

Attachments:

Wesco-Anixter Bid

CIP #18 Transformer Purchase



- a. **Electronically:** Through the City of Ketchikan website [www.ktn-ak.us](http://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 "Polemount Transformers, Contract No. 22-21"

**PART 1****120/240V SINGLE-PHASE OVERHEAD POLEMOUNT DISTRIBUTION TRANSFORMERS**

<u>kVA</u>	<u>Quantity</u>	<u>Price/Each</u>	<u>Total Price</u>
25kVA	<u>Twelve (12)</u>	\$ <u>3,212</u>	\$ <u>38,544</u>
75kVA	<u>Three (3)</u>	\$ <u>9,528</u>	\$ <u>28,584</u>

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

Sixty seven thousand one hundred twenty eight **US Dollars (\$** 67,128 **)**

**Delivery Time:** Q1/2023 **Days**

**PART 2****277/480V SINGLE-PHASE OVERHEAD POLEMOUNT DISTRIBUTION TRANSFORMERS**

<u>kVA</u>	<u>Quantity</u>	<u>Price/Each</u>	<u>Total Price</u>
25kVA	<u>Six (6)</u>	\$ <u>3,626</u>	\$ <u>21,756</u>
75kVA	<u>Three (3)</u>	\$ <u>9,830</u>	\$ <u>29,490</u>

**Full price for Part 2:** 277/480V Single Phase Overhead Polemount Distribution Transformers, F.O.B., Ketchikan, Alaska, at a total price of:

Fifty one thousand two hundred forty six **US Dollars (\$** 51,246 **)**

**Delivery Time:** Q1/2023 **Days**

## **BASIS OF AWARD**

The Basis of Award shall be lowest Dollar Amount for Part 1 and Part 2

<b>Full Dollar Amount for Bid Part 1 and Part 2 (Lump Sum)</b> <b><u>Basis of Award</u></b>	
<b>\$ 118,374</b>	<b>(Lump Sum)</b>
<b><u>Dollar Amount Written</u></b>	
<b>One hundred eighteen thousand three hundreded seventy four</b>	<b>(Lump Sum)</b>

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

\_\_\_\_\_  
Individual

\_\_\_\_\_  
19545 NE Riverside Parkway

Business Address

\_\_\_\_\_  
Portland, OR 97230

City, State, Zip

\_\_\_\_\_  
Partnership or Corporation

\_\_\_\_\_  
503-6538619 /

Telephone Number / Fax Number

\_\_\_\_\_  
vosokin@wesco.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.

\_\_\_\_\_  
Wesco/Anixter

Name of Bidding Organization

\_\_\_\_\_  
Vladimir Osokin / Senior Sales

Printed Name & Title of Authorized Person

By: Vladimir Osokin  
Legal Signature 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

<b>Division:</b> Electric					<b>Project Priority:</b> 18		<b>Project Number:</b>		
<b>Project Title:</b> Transformer Purchase					<b>Start Date:</b> 01/22 <b>End Date:</b> 12/26		<b>Estimated Project Cost:</b>		
<b>Description:</b> 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
<b>Total</b>			90,000	90,000	95,000	100,000	105,000	110,000	500,000