

ITEM #: 18  
DATE: 03-14-23  
DEPT: ELEC.

**COUNCIL ACTION FORM**

**SUBJECT: AWARD CONTRACT FOR TRANSFORMER OIL RECONDITIONING AND REPAIR FOR ELECTRIC SERVICES DEPARTMENT**

**BACKGROUND:**

This bid is for the oil reconditioning and re-gasketing of cooling radiators for a large transformer for the Electric Services Department. This work must be completed as a part of the Department's routine transformer maintenance program which cleans the oil that develops during normal operation of the transformer. Oil reconditioning and re-gasketing extends the operational life of the transformer for an estimated additional 10-15 years.

Routine oil testing has revealed that one of the large transformers in the electric system no longer contains an inhibitor which helps keep moisture out of the oil. Moisture in the transformer oil will lead to deterioration of coil paper and could lead to catastrophic failure. This inhibitor will be added during oil reconditioning. Re-gasketing prevents leaks as gaskets deteriorate over time.

Staff has determined that work to recondition and re-gasket this transformer must be completed between March 27 and May 26, 2023. Ambient temperatures are generally warmer after March 27, which avoids extra costs associated with heating the oil to complete the reconditioning. Completing the work before May 26 assures the transformer is back online ahead of the high energy demand summer season, which typically begins after Memorial Day.

On January 24, 2023, an Invitation to Bid (ITB) was issued to 160 vendors. The ITB was advertised on the AmesBids webpage. On February 15, 2023, eight bids were received as shown below:

<b>BIDDER</b>	<b>TOTAL COST</b>
Solomon Transformers, LLC, Solomon, KS	\$66,019.00
Transfluid Services, Houston, TX	\$66,564.70
Mars Transformers, Pearland, TX	\$69,550.00
Maxima (NASS), Shawnee Mission, KS	\$78,003.00
AES Kinectrics, Naperville, IL	\$79,864.80
Energy Solutions (Delta Star), Inc., Elkhorn, NE	\$85,075.70
Power Substation Services, LLC, Wheeling, WV	\$100,250.44
Cahoon Sales, Inc., Iowa City, IA	\$150,335.00

**\*Prices inclusive of 6% State of Iowa Sales Taxes Plus 1% Local Tax**

**Staff reviewed the bids and determined that the low bid from Solomon Transformers, LLC of Solomon, KS represents the best value to the Electric Services Department.**

Funds for this project were approved in the FY 2022/23 budget for equipment repair. This account contains a balance of \$78,575.

**ALTERNATIVES:**

1. Award a contract to Solomon Transformers, LLC, Solomon, KS, for the transformer oil reconditioning and repair in accordance with bid in the amount of \$66,019.00 (inclusive of Iowa sales tax).
2. Award the contract to one of the other bidders.
3. Reject all bids.

**CITY MANAGER'S RECOMMENDED ACTION:**

It is critical to remove built up gases and keep inhibitor in the transformer oil to prevent high levels of explosive gases and moisture, which could lead to catastrophic failure and affect the reliability of the electric system. This work is also time-sensitive and must be completed on-schedule in order to have the transformer back online and ready for the high demand summer season. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.