

ITEM # 14
DATE: January 8, 2008

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACT TO PURCHASE A UNIVERSAL RELAY TEST UNIT FOR ELECTRIC SERVICES

BACKGROUND:

This bid is for the purchase of a relay test unit. A relay is a part of the protection equipment for our system substations. This purchase will greatly reduce or totally eliminate the contracting of relay testing. With the purchase of the Omicron relay test unit, testing of system relays should be able to be accomplished by City personnel. In the past this work was contracted to outside vendors. The data gained from testing will be made available to all related parties in a digital format that is viewable with existing software and will create a history of the settings and test results of each relay. This unit is driven by Windows XP compatible software. Windows XP is generally installed on any available City laptop computer. The ability to share data via existing software is one of the biggest advantages of the purchasing the Omicron Test Universe (software). The unit is capable of testing all of the City's existing relays as well as all of the new solid state relays now in production. It also permits automated testing of multi-function devices.

On December 18, 2007, bids were received from two firms, one of which bid an alternate type of product. Bids were solicited from nine firms. The Purchasing Division questioned some firms about their decisions not to bid. It became apparent that this type of equipment is very specialized and that several firms felt they did not carry equipment that would work with the existing City systems. The alternate bid was rejected by the Electric Meter Division based on additional costs for training and a lack of ability to access and share test results.

The low responsive bid from Omicron Electronics Corp, USA, Houston, TX, has been deemed to be acceptable by the Electric Services staff. This equipment was estimated to cost \$58,550. Total cost of the test unit including upgrade to advanced protection (line 5 option) is \$55,400.00, which includes 2 to 3 days of onsite training.

The 2007-2008 Operating budgets for Electric Meter and the Power Plant contain funding for this equipment. The cost of the equipment will be split equally between these two divisions.

ALTERNATIVES:

1. Award a contract to Omicron Electronics Corp, USA, Houston, TX, for the purchase of a universal relay test unit, in the amount of \$55,400.00, plus applicable sales taxes.
2. Reject all bids and delay the purchase of this equipment at this time.

MANAGER'S RECOMMENDED ACTION:

It is important to find ways to lower costs in the Electric Services Department whenever possible. The purchase of this equipment will allow Electric Meter Staff to perform relay testing in house and lower operational costs, by avoiding the need to hire contractors to do this work. This will also assist in furthering system reliability.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, awarding a contract to Omicron Electronics Corp, USA, Houston, TX, for the purchase of a universal relay test set, in the amount of \$55,400.00, plus applicable sales taxes.