

ITEM #:	26
DATE:	05-26-26
DEPT:	ELEC

**COUNCIL ACTION FORM**

**SUBJECT: SUBSTATION TRANSFORMER RECONDITIONING/MAINTENANCE AND REPAIR SERVICES FOR ELECTRIC SERVICES**

**BACKGROUND:**

The Electric Department maintains transformers throughout the community. **Routine transformer maintenance includes servicing internal components, filtering insulating oil to remove gases and contaminants, and adding inhibitors to reduce moisture buildup in the windings and help prevent failure.**

To address identified maintenance needs, the City issued a bid in February 2025 for transformer repair services. Inspections conducted following the prior contract award identified that a large transformer in the City’s electric system required oil reconditioning, Load Tap Changer servicing, internal contact cleaning, bushing replacement, and the replacing of existing gaskets on the entire transformer.

Based on these new findings, bids were solicited for more all-encompassing substation transformer maintenance and repair services for this specific transformer. On April 30, 2026, bids were received as follows:

<b>BIDDER</b>	<b>EVALUATED COST*</b>
AES Kinectrics, Naperville, IL	\$88,248.25
Transfluid Services, Houston, TX	\$98,316.95
Energy Solutions, Elkhorn, NE	\$143,024.76
Total Transformer Services, Niagara Falls, ON, CA	\$154,604.30
Solomon Corporation (Solomon Transformers, LLC), Solomon, KS	\$238,820.00
Cahoon Sales, Iowa City, IA	\$257,870.00

**\*Evaluated cost is inclusive of 6% State of Iowa Taxes, Plus 1% Local Tax**

**Staff reviewed the bids and concluded that the apparent low bid submitted by AES Kinectrics is acceptable.** Sales tax of \$5,773.25 will be paid directly to the State of Iowa, reducing the contract award amount to \$82,475. **The FY 2026/27 budget contains \$250,000 for substation repairs.**

**ALTERNATIVES:**

1. Award contract to AES Kinectrics, of Naperville, IL for substation transformer maintenance and repair services in the amount of \$82,475.
2. Purchase the service from one of the other bidders.
3. Reject the award and direct staff to re-bid.

**CITY MANAGER'S RECOMMENDED ACTION:**

**Substation transformers are critical components to the Ames Municipal Electric grid. Transformer failures negatively impact reliability. The failed equipment is expensive and may take years to replace. It is good utility practice to monitor and service these transformers to limit problems in the future. Oil reconditioning, tap changer servicing, and contact cleaning are prudent preventative maintenance activities to ensure reliability.** Therefore, it is the recommendation of the City Manager to approve Alternative No. 1, as described above.