

ITEM #:	28
DATE:	07-14-26
DEPT:	ELEC

COUNCIL ACTION FORM

SUBJECT: TRANSFORMER FOR THE MORTENSEN SUBSTATION IMPROVEMENTS

BACKGROUND:

Electric Services is in need of upgrading the substation on Mortensen Road. Due to the extremely long lead times, Electric Services has opted to purchase the transformer as part of this project ahead of procuring the construction for the upgrade.

On January 27, 2026, City Council awarded a contract to DGR Engineering, of Rock Rapids, IA, for the Engineering Services for Mortensen and Ontario Road Substation Improvements. **The Engineer's estimate for this equipment is \$1,850,000.**

On March 31, 2026, an Invitation to Bid was posted to AmesBids by Purchasing, for the purchase of a transformer. On May 15, 2026, five bids were received as shown in the table below:

BIDDER	TOTAL BID	EVALUATED TOTAL COST
Niagara Power Transformer Buffalo, NY	\$1,756,932.00	\$2,113,967.24
Energy Solutions Inc. (Delta Star Inc.) Elkhorn, NE	\$2,383,104.00	\$2,830,723.71
Guggenmos & Associates (Hitachi Energy) Sioux City, IA	\$2,349,500.00	\$2,991,975.00
Rural Electric Supply Cooperative (Virginia Transformer Corp) Ankeny, IA	NON-RESPONSIVE	NON-RESPONSIVE
MVA Power Inc. L'Assomption, Quebec, Canada	NON-RESPONSIVE	NON-RESPONSIVE

The table reviews the bids in two ways: 1) The "Total Cost" column is based on the unit cost of the transformers as bid by the supplier, and 2) The "Evaluated Total Cost" reflects the unit cost of the transformers plus an "energy loss" component that considers losses in the transformer under no-loss and low-loss operation. Transformers that are less efficient under this evaluation are shown as costing more in this "Evaluated Total Cost" column.

Staff and DGR Engineering have evaluated each bid to make sure they meet the specifications and have determined that the low bid from Niagara Power Transformer, of

Buffalo, NY, is acceptable.

Funding will come from the 2029/30 Capital Improvement Project for Mortensen Road Substation, which included \$2,000,000 for this transformer. Delivery of this Transformer will be in the 2029/2030 fiscal year.

ALTERNATIVES:

1. Award a contract to Niagara Power Transformer, of Buffalo, NY, for the Transformer for Mortensen Substation Improvements, in the amount of \$1,756,932.
2. Award contract to one of the other bidders.
3. Reject all bids and direct staff to rebid.

CITY MANAGER'S RECOMMENDED ACTION:

Updating and maintaining the Mortensen substation is needed in order to maintain reliability of the City's Electric Transmission and Distribution system. Staff has determined that the bid from Niagara Power Transformer, of Buffalo, NY is most acceptable and best fits the needs of the City. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

The first payment will be a progress payment of which 40% will be due upon submittal of an approved drawing. It is anticipated this will occur 16-20 weeks from award. The funds will advanced through a budget amendment in the Electric Utility Fund performed in September.