

# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE:** NOVEMBER 27, 2017

**ITEM NO:** 4

**SUBJECT:** AWARD BID NO. RPU-7507 FOR THE RIVERSIDE ENERGY RELIABILITY CENTER (RERC) TRANSFORMERS RECONDITIONING PROJECT TO REINHAUSEN MANUFACTURING OF HUMBOLDT, TENNESSEE, IN THE AMOUNT OF \$93,556 – APPROVE WORK ORDER NO. 1801557 FOR \$157,000

**ISSUES:**

Award Bid No. RPU-7507 to Reinhausen Manufacturing of Humboldt, Tennessee, for the RERC Transformers Reconditioning Project, in the amount of \$93,556; and approve the capital expenditure of \$157,000 for Work Order No. 1801557.

**RECOMMENDATIONS:**

That the Board of Public Utilities:

1. Award Bid No. RPU-7507 for the reconditioning of transformers GSU-1 and GSU-2 at RERC Generating Plant, to the lowest responsive and responsible bidder Reinhausen Manufacturing of Humboldt, Tennessee, in the amount of \$93,556; and
2. Approve Work Order No. 1801557 in the amount of \$157,000.

**BACKGROUND:**

RERC has four generator step-up transformers (GSUs) that are an essential component of the RERC generating power station. GSUs link the generating power station to the transmission grid system. GSU-1 and GSU-2 were installed in 2004 and are currently experiencing oil leaks.



**GSU-1 (Transformer)**

Transformer oil acts as coolant and insulator for transformers. Oil leakage can result in transformer overheating and moisture accumulation that will deteriorate the transformer in the long run.

To maximize the life of RERC's GSU-1 and GSU-2 transformers, RPU will recondition these transformers. The scope of work includes draining oil, replacing all transformer gaskets, degasifying and reprocessing the oil, removing corrosion, replacing gauges and other ancillary devices, and performing chemical and electrical testing.

### **DISCUSSION:**

Bid RPU-7507 was posted on the City's Online Bid System on September 6, 2017 and closed on September 22, 2017. Five bidders submitted bids for the specified work. Staff evaluated the bids and deemed Reinhausen Manufacturing, Humboldt, TN to be the lowest responsive and responsible bidder. The bid was within the engineer's estimated amount of \$110,000. The bids are summarized in the table below:

<b>Bidders</b>	<b>Location</b>	<b>Bid Amount</b>	<b>Evaluation</b>
1. Reinhausen Manufacturing	Humboldt, TN	\$93,556	Lowest Responsive and Responsible Bidder
2. Isberg-Nott Company	Pocatello, ID	\$106,800	2 <sup>nd</sup>
3. Delta Star, Inc	Lynchburg, VA	\$138,000	3rd
4. North American Substation Services, LLC	Altamonte Springs, FL	\$177,000	Non responsive
5. ABB C/O Pacific Utilities	St. Louis, MO	\$188,000	Non responsive
➤ <i>Engineer's Estimate</i>		\$110,000	

The project breakdown is proposed as follows:

<b>Project Breakdown</b>	
Engineering Performed By:	RPU Engineering Staff
Electrical Work Performed By:	Reinhausen Manufacturers
Inspection and Supervision	RPU Field Forces
Anticipated Start Date:	December 10 , 2017
Anticipated Duration:	15 days

The breakdown for the total capital expenditure as follows:

<b>DESCRIPTION</b>	<b>AMOUNT</b>
Project Management and Engineering	\$20,000
Contract Work – Reinhausen Manufacturing	\$93,556
Inspection and Supervision	\$35,000
Contingency	\$8,444
<b>Work Order Total</b>	<b>\$157,000</b>

### **FISCAL IMPACT:**

The total fiscal impact is \$157,000. Sufficient funds are available in Public Utilities' Substation Bus Upgrade Capital Account No. 6130000-470616.

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Approved by: Girish Balachandran, Utilities General Manager  
Approved by: John A. Russo, City Manager  
Approved as to form: Gary G. Geuss, City Attorney

Certifies availability  
of funds: Laura Chavez-Nomura, Utilities Assistant General Manager/Finance

Attachment: Award Recommendation

