

FOR BOARD ACTION

Agenda Item # 3.a.

Meeting Date:

8/25/09

SUBJECT: Consideration of Bids
161kV Outdoor 161kV Circuit Breakers

PREPARED BY: Neil Stiller, Sr. Electrical Engineer
Bob Ledebuhr, C.P.M., Materials Manager/Contract Administrator

ITEM DESCRIPTION:

Bids were opened on July 21, 2009 for two (2) 161kV Outdoor 161kV Circuit Breakers. This equipment will be used at the Westside Substation. It is part of a budgeted project. Delivery of this equipment is scheduled for June, 2010.

Four bids were received. Technical evaluation of bids was performed by Ulteig Engineers Inc. along with staff. Each bidder was also required to provide pricing for essential spare parts.

The low bidder, Areva T&D Inc., proposed acceptable equipment and delivery schedules. RPU has purchased numerous circuit breakers from this company in the last 10 years with satisfactory performance and customer support.

The Areva bid is below the engineer's estimate. In 2008, Areva was the low bidder for identical equipment. Their 2009 bid is 6% less than their 2008 bid.

Bid information is summarized on the attached page.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

The equipment is part of a budgeted project for 2009. The cost of the equipment is within the allocated funds. The equipment was estimated at \$65,000 each.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Utility Board approve a purchase order agreement with Areva T&D Inc., in the amount of \$112,000.


General Manager


Date

ROCHESTER PUBLIC UTILITIES



5201 East River Road
Suite 308
Minneapolis, Minnesota 55421
Phone: (763) 571-2500
Fax: (763) 571-1168

July 28, 2009

Mr. Neil Stiller
Rochester Public Utilities
4000 East River Road NE
Rochester, MN 55906-2813

Re: Westside Substation 161kV Circuit Breakers Award Recommendation
Ulteig Project No. 208.0023

Dear Mr. Stiller:

Ulteig has reviewed proposals from ABB, Areva, HICO, and Siemens for furnishing 161kV circuit breakers for the Westside Substation Project.

The proposal submitted by Areva was the lowest among the three bids and had a delivery schedule that met the specification requirements. Areva's proposal included some specification clarifications that were found to be acceptable. Furthermore, Areva's proposal was based on providing the same equipment that has been previously supplied to RPU. Therefore, we recommend that the purchase order for the 161kV circuit breakers be awarded to Areva.

If you have any questions or comments pertaining to this bid evaluation, please don't hesitate to call me at (763) 259-7842.

Sincerely,

A handwritten signature in black ink that reads "Bradley J. Daubenberger".

Bradley J. Daubenberger, PE
Project Engineer



July 17, 2009

**Rochester Public Utilities
Attn: Materials Manager
4000 East River Road
Rochester, Minnesota 55906-2813**

Re: Westside Substation 161 kV Circuit Breakers

AREVA Reference: MN-USC-09218/1

Dear Mr. Ledebuhr,

Thank you for your interest in AREVA T&D Inc. for your Power Circuit Breaker needs. We have received your inquiry and are pleased to submit the following proposal in accordance with your specification and with the noted comments and clarifications. We are proposing our DT1-170 FK which is part of the AREVA T&D family of circuit breakers. The proposed circuit breakers will be a duplicate of those supplied to Rochester Public Utilities for the IBM Substation 161 kV Bus Upgrade under AREVA T&D proposal MN-USC-08200/1.

AREVA T&D is an industry leading manufacturer of high voltage circuit breakers and circuit switchers with R&D and manufacturing facilities located in Charleroi, Pennsylvania. Our facility is an AREVA T&D Center of Excellence for research and development, testing, and manufacturing of dead tank circuit breakers for worldwide distribution and is certified to ISO9001-2000 and ISO14001-2004.

Our Charleroi, PA campus includes a fully functional research & development facility with a staff of over 20 engineers and technicians dedicated to product development. This local development team ensures that new products are designed to meet the rigorous demands of the US power system. The AREVA T&D R&D team also includes worldwide development with R&D centers in Kassel, Germany and Villeurbanne, France. To this date, the Charleroi facility has delivered over 12,000 circuit breakers to locations throughout the world.

The AREVA T&D line of circuit breakers and circuit switchers are developed with a family approach. Common components such as mechanisms and interrupters are shared between the dead tank and circuit switcher products providing a reduction in cost of ownership. Furthermore, our breakers and switchers are tested to ensure significant Close-Open mechanical operations without maintenance.

AREVA T&D stands ready to serve you. Our uniquely qualified team includes industry leaders with decades of experience in the transmission and distribution world as well as the high voltage circuit breaker industry. The members of the AREVA T&D team are available at any time and are dedicated together with our Charleroi staff of nearly 200 employees to providing you best in industry service and support.

We do hope our offer will be of interest to you and look forward to hearing from you in the near future.

Best Regards,

A handwritten signature in black ink that reads 'Todd Beatty'.

Todd Beatty
AREVA T&D INC.
Marketing Engineer
Todd.Beatty@areva-td.com
(724) 489-8131

Jim Kriter
AREVA T&D INC.
AREVA T&D Area Manager
Jim.Kriter@areva-td.com
(309) 854-1058

Chris Schrom
Border States
AREVA T&D Local Rep
cschrom@border-states.com
(763) 315-9475

T&D

THE AMERICAN INSTITUTE OF ARCHITECTS

AIA Document A310 Bid Bond

KNOW ALL MEN BY THESE PRESENTS, THAT WE Areva T&D, Inc

1 Power Lane, Charlevoix, NY 15022

as Principal, hereinafter called the Principal, and Liberty Mutual Insurance Company

175 Berkeley Street, Boston, MA 02116

a corporation duly organized under the laws of the State of MA

as Surety, hereinafter called the Surety, are held and firmly bound unto Rochester Public Utilities

4000 East River Road, NE, Rochester, MN 55906-2813

as Obligee, hereinafter called the Obligee, in the sum of Five Percent of Amount Bid

Dollars (\$ 5%),

for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for Supply two DT1-170 FK circuit breakers

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and materials furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 17th day of July, 2009

Donald Martin
(Witness)

Areva T&D, Inc

(Principal)

(Seal)

By:

JM

Risk Analyst
(Title)

Liberty Mutual Insurance Company

(Surety)

(Seal)

By:

RM Coon

Attorney-in-Fact Robert M. Coon

(Title)

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

LIBERTY MUTUAL INSURANCE COMPANY
BOSTON, MASSACHUSETTS
POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS: That Liberty Mutual Insurance Company (the "Company"), a Massachusetts stock insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint **ROBERT M. COON, SUSAN F. QUEEN, LINDA P. GREENWAY, LINDSEY M. DEJARNETTE, ALL OF THE CITY OF GREENSBORO, STATE OF NORTH CAROLINA**

, each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations in the penal sum not exceeding ~~FIFTY MILLION AND 00/100~~ DOLLARS (\$ 50,000,000.00) each, and the execution of such undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article XIII, Section 5 of the By-Laws, Garnet W. Elliott, Assistant Secretary of Liberty Mutual Insurance Company, is hereby authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization set forth above are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Liberty Mutual Insurance Company has been affixed thereto in Plymouth Meeting, Pennsylvania this 30th day of November, 2006.

LIBERTY MUTUAL INSURANCE COMPANY



By Garnet W. Elliott
Garnet W. Elliott, Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 30th day of November, 2006, before me, a Notary Public, personally came Garnet W. Elliott, to me known, and acknowledged that he is an Assistant Secretary of Liberty Mutual Insurance Company; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Liberty Mutual Insurance Company thereto with the authority and at the direction of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires Mar. 28, 2009
Member, Pennsylvania Association of Notaries

By Teresa Pastella
Teresa Pastella, Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of Liberty Mutual Insurance Company, do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the officer or official who executed the said power of attorney is an Assistant Secretary specially authorized by the chairman or the president to appoint attorneys-in-fact as provided in Article XIII, Section 5 of the By-laws of Liberty Mutual Insurance Company.

This certificate and the above power of attorney may be signed by facsimile or mechanically reproduced signatures under and by authority of the following vote of the board of directors of Liberty Mutual Insurance Company at a meeting duly called and held on the 12th day of March, 1980.

VOTED that the facsimile or mechanically reproduced signature of any assistant secretary of the company, wherever appearing upon a certified copy of any power of attorney issued by the company in connection with surety bonds, shall be valid and binding upon the company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said company, this 17th day of July, 2009.



By David M. Carey
David M. Carey, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

**BID FORM
004160**

BID DUE DATE: July 21, 2:00 PM Central Time

PROJECT: City of Rochester, Rochester Public Utilities
Westside Substation, 161kV Circuit Breakers

FROM: AREVA T&D, INC.

ATTENTION: Bob Ledebuhr, C.P.M., Materials Manager

The undersigned agrees, if this bid is accepted, to enter into a contract for the work described in this request for bid and any subsequent formal written changes, exclusive of any qualifications attached hereto, for the following firm lump sum price for the work, including freight F.O.B. jobsite, insurance, overhead, profit, taxes, etc.:

Base Bid

Item No.	Description	Base Bid Amount	Alternate Bid Amount
1	Total firm lump sum bid for supply of 161kV gas insulated circuit breakers, (Qty. 2)	\$ 112,000	\$ N/A

City reserves the right to accept either the base bid price or alternate bid.

Spare Parts

The City may, at their sole discretion, add or deduct scope of work at the unit prices listed below. All prices shall include material per specification. Any changes in price of Contract will require a change order before the changed work can be performed, in accordance with the Contract Documents.

Item No.	Description	Amount
1	Price per Trip Coil	\$ 85.00
2	Price per Close Coil	\$ 85.00
3	Price per Charging Motor, complete	\$ 525.00
4	Price per SF ₆ Gas Compressor (if required), broken down by item, complete.	\$ N/A
5	Price per 161 kV Interrupter Assembly, broken down by item, complete.	\$ 4,250.00
6	Price per 161 kV Bushing Assembly, broken down by item, complete.	\$ 1885.00
7	Price per 161 kV Interrupter Assembly with Bushing (if required as a unit), complete.	\$ N/A
8	Price per 1200:5 amp MR C800 bushing current transformer, complete	\$ 645.00
9	Price per 2000:5 amp MR C800 bushing current transformer, complete	\$ 508.00

Bidder must attach to the bid proposal a detailed explanation of any Alternate Bid, which includes, but shall not be limited to, all supporting technical information, drawings, technical data, milestones, schedule, etc. sufficient to allow City to adequately evaluate any Alternate Bid.

BIDDER NAME: AREVA T&D, INC.

Bidder's Surety Company: LIBERTY MUTUAL SURETY

Bonding Capacity: \$100,000,000.00 Current Value of Work Bonded \$ 60,000,000.00

Name of Agent: SCOTT INSURANCE

Contact Name: ROBERT COON Phone Number: 336-510-0072
 Bid Bond Type SURETY BOND (price included in lump sum price)
 Identification Number N/A
 Pricing reflects Addendum No's N/A through N/A inclusive.

	Yes	No
Bid is, without exception, in exact accordance with the subcontract, specifications, drawings, terms, conditions and requirement of this RFB? (If no, attach separate page with qualifications.)		X
Pricing will remain valid for acceptance for 90 days and is not subject to escalation.	X	
Bidder has supplied an overall schedule?	X	
Bidder has completed and submitted the Acknowledgement of Corporation Form?	X	

EXCEPTIONS AND ENCLOSURES

The Bidder shall state below whether they will comply with all the requirements of the RFB Package including the Purchase Order. Any and all exceptions shall be itemized below. Each exception shall be referenced to its specific section of the RFB Packages. Except for the items in this listing, material, equipment, and construction shall be exactly as specified.

<u>Section</u>	<u>Exception</u>
_____	<u>PLEASE REFERENCE SECTION ENTITLED "CLARIFICATIONS</u>
_____	<u>AND EXCEPTIONS TO THE SPECIFICATION WITHIN THE</u>
_____	<u>PROPOSAL.</u>
_____	_____
_____	_____

List hereunder all enclosures accompanying the Bid which are not attached to other sections:

<u>SEE QUOTATION PACKAGE</u>

MILESTONE DATES

The Bidder shall commit to milestones by providing 'Seller Committed Dates.' Key milestone dates for the work are as follows:

<u>Milestone Schedule</u>	<u>City Scheduled Date</u>	<u>Seller Committed Date</u>
RFB Due	July 21, 2009	N/A
Signed Purchase Order Required to Meet Delivery Date	September 18, 2009	12/1/09
Issue of Approval Drawings	4 weeks ARO	4-6 WEEKS ARO
Deliver	June 1, 2010	6/1/10

The undersigned agrees, if this bid or Alternate Bid is accepted, to enter into contract for the work described in this Request for Bid and any subsequent formal written changes, exclusive of any qualifications attached hereto.

Submitted by:

Todd Beatty
Signature/Title

JULY 17, 2009
Date

AREVA T&D, INC.
Company

724-489-8131
Phone

ONE POWER LANE
Address

724-483-7771
Fax

CHARLEROI, PA 15022
City/State/Zip

TODD.BEATTY@AREVA-TD.COM
Email

ACKNOWLEDGMENT OF CORPORATION
AUTHORIZED SIGNATURE
Form 004544

STATE OF Pennsylvania

COUNTY OF Washington

On this 17th day of July, 2009, before me appeared
Todd Beatty ^{MARKETING ENGINEER}
_(name-of-officer) to me personally known, who,
being by me duly sworn did say that he/she is the Marketing Engineer (title) of
ARFVA T & D Inc. (name of corporation) a corporation; and that said instrument
was executed in behalf of said corporation by authority of its Board of Directors; and that said
Todd Beatty ^{MARKETING ENGINEER}
_(name-of-officer) acknowledged said instrument to be
the free act and deed of said corporation.

Todd Beatty
Notary Public Kitty L. Sten
County Washington
My Commission Expires 1-20-10

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Kitty L. Sten, Notary Public
North Franklin Twp., Washington County
My Commission Expires Jan. 20, 2010
Member, Pennsylvania Association of Notaries

Westside Sub. 161 kV Breaker Bid Tabulation and Evaluation

Bid Opening Date and Time: Tuesday July 21, 2009 at 2:00 PM CDT

		SIEMENS By ElectroTech Yes \$58,995 Acceptable	AREVA By BSE Yes \$66,000 Acceptable	ABB By Primus Mktg. Yes \$72,860 Acceptable	HICO By Pro-Tech Yes \$73,700 Acceptable	mitsubishi By Burmeister No Bid
Base Bid Item No. 1	BID BOND (Y / N)					
	BASE BID Unit Price					
	TECHNICAL EXCLUSIONS OR EXCEPTIONS:					
	ADDERS	\$0	\$0	\$0	\$0	
	BASE BID PLUS ADDERS	\$58,995	\$66,000	\$72,860	\$73,700	
	OPTIONAL SPARE PARTS					
Spare Parts Item No. 1	Trip Coil	\$350	\$85	\$316	\$600	
Spare Parts Item No. 2	Close Coil	\$350	\$85	\$316	\$600	
Spare Parts Item No. 3	Charging Motor	\$850	\$635	\$1,103	\$500	
Spare Parts Item No. 4	SF6 Gas Compressor (if req'd)					
Spare Parts Item No. 5	Interruptor Assembly	\$4,168	\$4,250	\$5,413	\$4,650	
Spare Parts Item No. 6	Bushing Assembly	\$2,200	\$1,886	\$3,473	\$1,450	
Spare Parts Item No. 7	Interruptor Assembly w/ Bushing (if req'd)					
Spare Parts Item No. 8	1200:5 MR C300 Bushing CT	\$1,650	\$645	\$712	\$450	
Spare Parts Item No. 9	2000:5 MR C300 Bushing CT	\$1,515	\$508		\$500	
	TOTAL FOR 2 BREAKERS AS SPECIFIED Excluding Spare Parts Bid relative to Low Bid	\$117,990 5.3%	\$112,000 LOW Bid	\$145,720 30.1%	\$147,400 31.6%	
	TOTAL FOR 2 BREAKERS AS SPECIFIED with 1 Set of Spare Parts Bid relative to Low Bid	\$129,063 7.6%	\$119,983 LOW Bid	\$157,053 30.9%	\$156,050 30.1%	
	DELIVERY DATE	Acceptable	Acceptable	Acceptable	Acceptable	



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Areva T&D Inc. for

Two (2) 161kV Outdoor 161kV Circuit Breakers

The amount of the purchase order agreement to be ONE HUNDRED TWELVE THOUSAND AND 00/100 DOLLARS (\$112,000.00) plus sales tax, and Areva T&D Inc. being lowest responsible bidder.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of August, 2009.

President

Secretary