

## FOR BOARD ACTION

Agenda Item # 3.b.

Meeting Date:

8/25/09

**SUBJECT:** Consideration of Bids  
Westside Substation 161kV Disconnect Switches

**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 eight (8) 161kV Disconnect Switches. 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.

Bids from four companies 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, Southern States Inc., proposed acceptable equipment and delivery schedules. RPU has purchased equipment from this company in the last 10 years with satisfactory performance and customer support.

The Southern States bid is below the engineer's estimate. In 2008, similar equipment was purchased from a competitor. This 2009 bid is 12% less.

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 \$15,000 each.

### UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Utility Board reject bids from Areva and Usco and the two (2) alternate bids from Southern States Inc. for failure to meet bid specifications of equipment ratings and to approve a purchase order agreement with Southern States Inc., in the amount of \$79,000.

  
General Manager

  
Date

**ROCHESTER PUBLIC UTILITIES**

**Westside Sub. 161 kV 2000 Amp Disconnect Switch Bid Tabulation**

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

	Areva by BSE	CLEVELAND-PRICE by WESCO	USCO direct	SOUTHERN STATES by Electrotech	SOUTHERN STATES (AHL 1)	SOUTHERN STATES (AHL 1A)
BID BOND (Y/N)	Y	Y	Y	Y	Y	Y
<b>BASE BID Unit Price</b>						
Base Bid Item No. 1 Total firm lump sum bid for supply of 161KV disconnect switches, (Low configuration: 17-0 bus) (Qty. 6)	\$9,470	\$11,330	\$10,060	\$9,875	\$9,363	\$8,941
Base Bid Item No. 2 Total firm lump sum bid for supply of 161KV disconnect switches, (High configuration: 26-0 Bus) (Qty. 2)	\$9,470	\$11,330	\$10,060	\$9,875	\$9,363	\$8,941
<b>SPARE PARTS</b>						
Spare Parts Item No. 1 Price per Hinge Assembly, broken down by item, complete with bearings.	\$650	\$240	\$6,048	\$1,700	\$1,700	\$1,700
Spare Parts Item No. 2 Price per Jaw Assembly, broken down by item, complete	\$325	\$217	\$1,483	\$600	\$600	\$600
Spare Parts Item No. 3 Price per Worm Gear Operator, broken down by item, complete	\$775	\$718	\$840	\$350	\$350	\$350
<b>EXCLUSIONS OR EXCEPTIONS:</b>						
Ratings:	53 deg. C. rise Not Acceptable		53 deg. C. rise Not Acceptable	30 deg. C. rise	53 deg. C. rise	Not 2000 amp Not Acceptable
<b>TOTAL FOR SWITCHES AS SPECIFIED</b>	\$75,760	\$90,640	\$80,480	\$79,000	\$74,904	\$71,528



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

August 7, 2009

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

Re: Westside Substation 161kV Disconnect Switches Award Recommendation  
Ulteig Project No. 208.0023

Dear Mr. Stiller:

Ulteig has reviewed proposals from Areva, Cleveland Price, Southern States, and USCO for furnishing 161kV disconnect switches for the Westside Substation Project.

The proposal submitted by Southern States was the lowest among the four bids and had a delivery schedule that met the specification requirements. Southern States provided two alternative proposals for providing alternate electrical ratings than the specified requirements that were lower cost than their base bid, however, the proposed alternate electrical ratings were found to be unacceptable for the project requirements. Southern States did not have any exceptions to the bid documents. The proposals submitted by Areva and USCO did not meet the specified temperature rise requirements and therefore were disqualified. Therefore, we recommend that the purchase order for the 161kV disconnect switches be awarded to Southern States.

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, appearing to read "Brad Daubenberger". The signature is written in a cursive style with a large, prominent initial "B".

Bradley J. Daubenberger, PE  
Project Manager



30 Georgia Avenue • Hampton, GA 30228  
Phone 770-946-4562 • Fax: 770-946-8106  
www.SouthernStatesLLC.com

Date: 07/17/2009

Electro Tech  
3268 Winpark Dr  
Minneapolis, MN. 55427

Attention: Cindy Everson

Subject: Disconnect Switches  
Southern States Proposal: 202265  
Project: Rochester Public Utilities for Westside Substatio

We are pleased to submit our quotation as indicated on the attached page. The following information should be considered a part of our bid:

- \* Estimated shipment is 14-16 weeks after receipt of order.
- \* The insulators will be shipped packaged separately. Switches will be shipped with the live parts assembled to the galvanized steel bases.
- \* Prices are FOB destination, freight allowed.
- \* Payment terms are net 30 days after receipt of invoice.
- \* Our proposal is valid for 90 days.
- \* The proposed switches are covered by Southern States standard five year warranty.

Your consideration of Southern States equipment is much appreciated. We trust you will find our bid favorable and look forward to working with you on this requirement.

Sincerely,

Amit Modi

Date: 07/17/2009



— PRICE SHEET —

Southern States Proposal:202265

Customer: Electro Tech

Item No. 1      Quantity: 8      Unit Price: \$9,875

EV-2-161-2000

161 kV, 2000 AMP at 30 degree C temperature rise, 100 kA momentary, three phase group operated aluminum live parts vertical break disconnect switch with a high output manual worm gear operator. Complete with TR-291 porcelain insulators. The insulators will be shipped packaged separately. The switches will be designed to mount horizontal or vertical on customer furnished structure.

Item No. 1(Alt.)      Quantity: 8      Unit Price: \$9,363

EV-2-161-2000

161 kV, 2000 AMP at 53 degree C temperature rise, 100 kA momentary, three phase group operated aluminum live parts vertical break disconnect switch with a high output manual worm gear operator. Complete with TR-291 porcelain insulators. The insulators will be shipped packaged separately. The switches will be designed to mount horizontal or vertical on customer furnished structure.

Item No. 1A(Alt.)      Quantity: 8      Unit Price: \$8,941

EV-161-1200

161 kV, 1200 AMP at 30 degree C temperature rise, 61 kA momentary, three phase aluminum vertical break group operated switch with a high output manual worm gear operator. Complete with TR-291 porcelain insulators. The insulators will be shipped packaged separately. The switches will be designed to mount horizontal or vertical on customer furnished structure.

END

**BID FORM  
004160**

**BID DUE DATE: July 10, 2:00 PM Central Time**

**PROJECT:** City of Rochester, Rochester Public Utilities  
Westside Substation, 161kV Disconnect Switches

**FROM:** Southern States, LLC.

**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 P-202265

Item No.	Description	Base Bid Amount	Alternate Bid Amount	ALT. Bid Amount
1	Total firm lump sum bid for supply of 161kV disconnect switches, (Low configuration: 17'-0 bus) (Qty. 6)	\$59,250.00	\$56,178.00	\$53,646.00
2	Total firm lump sum bid for supply of 161kV disconnect switches, (High configuration: 26'-0 Bus) (Qty. 2)	\$19,750.00	\$18,726.00	\$17,892.00

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

**Seare 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 Hinge Assembly, broken down by item, complete with bearings.	\$1700.00
2	Price per Jaw Assembly, broken down by item, complete	\$600.00
3	Price per Worm Gear Operator, broken down by item, complete	\$350.00

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:** Southern States, LLC.

Bidder's Surety Company: Platte River Insurance Company  
 Bonding Capacity: \$5% of the Bid Current Value of Work Bonded \$5% of the Bid  
 Name of Agent: Richard Jacobus  
 Contact Name: " " Phone Number: 215-255-1727  
 Bid Bond Type: Bid Bond (price included in lump sum price)  
 Identification Number: See Attached Bid Bond  
 Pricing reflects Addendum No's   through   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.

Section	Exception
	None

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

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**MILESTONE DATES**

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

Milestone Schedule	City Scheduled Date	Seller Committed Date
RFB Due	July 10, 2009	N/A
Signed Purchase Order Required to Meet Delivery Date	August 14, 2009	
Issue of Approval Drawings	3 weeks ARO	
Deliver	December 7, 2009	



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:

Walt Lynn / Regional Manager  
Signature/Title

7/17/09  
Date

Southern States, LLC.  
Company

770-946-4562  
Phone

30 Georgia Avenue  
Address

770-946-8106  
Fax

Hampton / GA 30228  
City/State/Zip

A.modi@SouthernStatesLLC.com  
Email

ACKNOWLEDGMENT OF CORPORATION  
AUTHORIZED SIGNATURE  
Form 004544

STATE OF Georgia

COUNTY OF Georgia/Henry

On this 17<sup>th</sup> day of JULY 2009, before me appeared  
Amit Modi (name of officer) to me personally known, who,  
being by me duly sworn did say that he/she is the Regional Manager (title) of  
Southern States, LLC. (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  
David M. Shelley (name of officer) acknowledged said instrument to be  
the free act and deed of said corporation.

Notary Public

Amanda J. Brewer

County

Henry

My Commission Expires

Notary Public, Henry County, Georgia  
My Commission Expires on May 18, 2011

# THE AMERICAN INSTITUTE OF ARCHITECTS



Bond No 41166048

AIA Document A310

## Bid Bond

KNOW ALL MEN BY THESE PRESENTS, that we **SOUTHERN STATES, LLC**  
30 Georgia Avenue  
Hampton, GA 30228  
(Here insert full name and address or legal title of Contractor)

as Principal, hereinafter called the Principal, and **PLATTE RIVER INSURANCE COMPANY**  
PO Box 5900  
Madison, WI 53705-0900  
(Here insert full name and address or legal title of Surety)

a corporation duly organized under the laws of the State of NE  
as Surety, hereinafter called the Surety, are held and firmly bound unto  
(Here insert full name and address or legal title of Owner)

**ROCHESTER PUBLIC UTILITIES**  
4000 East River Road NE, Rochester, MN 55908-2813

as Oblige, hereinafter called the Oblige, in the sum of

Five percent of amount bid. Dollars (\$ Bid <sup>5% of Amount</sup> ),

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  
Westside Substation 161kV Disconnect Switches  
(Here insert full name, address and description of project)

NOW, THEREFORE, if the Oblige shall accept the bid of the Principal and the Principal shall enter into a Contract with the Oblige 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 material 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 Oblige the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Oblige 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 14th day of July 2009

\_\_\_\_\_  
(Witness)

**SOUTHERN STATES, LLC**  
\_\_\_\_\_  
(Principal) (Seal)

\_\_\_\_\_  
(Title)

*Elizabeth Marino*  
Elizabeth Marino  
(Witness)

**PLATTE RIVER INSURANCE COMPANY**  
*Richard A. Jacobus*  
Richard A. Jacobus  
(Surety) (Seal)

\_\_\_\_\_  
(Title) Attorney-in-Fact

PLATTE RIVER INSURANCE COMPANY  
POWER OF ATTORNEY

41166048

KNOW ALL MEN BY THESE PRESENTS, That the PLATTE RIVER INSURANCE COMPANY, a corporation of the State of Nebraska, having its principal offices in the City of Middleton, Wisconsin, does make, constitute and appoint

SANDRA E BRONSON; RICHARD A JACOBUS; MAUREEN MCNEIL; WAYNE G MCVAUGH

MARY C O'LEARY; DOUGLAS R WHEELER; DARELLA WHITE

its true and lawful Attorney(s)-in-fact, to make, execute, seal and deliver for and on its behalf, as surety, and as its act and deed, any and all bonds, undertakings and contracts of suretyship, provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of

ALL WRITTEN INSTRUMENTS IN AN AMOUNT NOT TO EXCEED: \$1,000,000.00

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PLATTE RIVER INSURANCE COMPANY at a meeting duly called and held on the 8th day of January, 2002.

"RESOLVED, that the President, and Vice-President, the Secretary or Treasurer, acting individually or otherwise, be and they hereby are granted the power and authorization to appoint by a Power of Attorney for the purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more vice-presidents, assistant secretaries and attorney(s)-in-fact, each appointee to have the powers and duties usual to such offices to the business of the Corporation; the signature of such officers and the seal of the Corporation may be affixed to such power of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Corporation in the future with respect to any bond or undertaking or other writing obligatory in the nature thereof to which it is attached. Any such appointment may be revoked, for cause, or without cause, by any of said officers, at any time."

IN WITNESS WHEREOF, the PLATTE RIVER INSURANCE COMPANY has caused these presents to be signed by its officer undersigned and its corporate seal to be hereto affixed duly attested, this 1st day of January, 2007.

Attest:

PLATTE RIVER INSURANCE COMPANY

*David F. Pauly*

David F. Pauly  
Chairman & CEO



*James J. McIntyre*

James J. McIntyre  
President

STATE OF WISCONSIN }  
COUNTY OF DANE } s.s.:

On the 1st day of January, 2007 before me personally came James J. McIntyre, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Dane, State of Wisconsin; that he is President of PLATTE RIVER INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.



CERTIFICATE

*Daniel W. Krueger*

Daniel W. Krueger  
Notary Public, Dane Co., WI  
My Commission is Permanent

STATE OF WISCONSIN }  
COUNTY OF DANE } s.s.:

I, the undersigned, duly elected to the office stated below, now the incumbent in PLATTE RIVER INSURANCE COMPANY, a Nebraska Corporation, authorized to make this certificate, DO HEREBY CERTIFY that the foregoing attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolution of the Board of Directors, set forth in the Power of Attorney is now in force.

Signed and sealed at the City of Middleton, State of Wisconsin this 14th day of July, 2009.



*Alan S. Ogilvie*

Alan S. Ogilvie  
Secretary

THIS DOCUMENT IS NOT VALID UNLESS PRINTED ON GREEN SHADED BACKGROUND WITH A RED SERIAL NUMBER IN THE UPPER RIGHT HAND CORNER. IF YOU HAVE ANY QUESTIONS CONCERNING THE AUTHENTICITY OF THIS DOCUMENT CALL 800-475-4450.

**CAPITOL INDEMNITY CORPORATION**  
**BALANCE SHEET**  
12/31/08

	<b>Admitted Assets</b>	<b>2008</b>
<b>Cash and invested assets:</b>		
Bonds		\$209,570,044
Preferred stocks		29,000
Common stocks		71,975,545
Cash, cash equivalents and short-term investments		35,284,766
Other invested assets		11,441,796
<b>Total cash and invested assets</b>		<u>328,301,151</u>
Investment income due and accrued		2,793,749
Uncollected premiums and agents' balances in course of collection		14,480,912
Deferred premiums, agents' balances and installments booked but deferred and not yet due		11,742,829
Amounts recoverable from reinsurers		888,752
Funds held by or deposited with reinsured companies		28,708,556
Other amounts receivable under reinsurance contracts		156,732
Net deferred tax asset		12,447,487
Electronic data processing equipment and software		1,213,228
Receivables from parent, subsidiaries and affiliates		4,496,697
Other admitted assets		316,903
<b>Total admitted assets</b>		<u>405,546,996</u>
<b>Liabilities and Surplus as Regards Policyholders</b>		
<b>Liabilities:</b>		
Losses		\$127,667,117
Reinsurance payable on paid losses and loss adjustment expenses		3,186,593
Loss adjustment expenses		20,354,077
Commissions payable, contingent commissions and other similar charges		2,344,125
Other expenses (excluding taxes, licenses and fees)		10,990,066
Taxes, licenses and fees (excluding federal and foreign income taxes)		370,133
Current federal and foreign income taxes		429,892
Unearned Premiums		58,124,466
Dividends declared and unpaid to policyholders		130,545
Ceded reinsurance premiums payable (net of ceding commissions)		(170,463)
Funds held by company under reinsurance treaties		230,669
Amounts withheld or retained by company for account of others		6,446,361
Remittances and items not allocated		3,427,176
Drafts outstanding		45,093
Payable to parent, subsidiaries and affiliates		348,673
Other liabilities		1,813,240
<b>Total liabilities</b>		<u>235,737,763</u>
<b>Surplus as regards policyholders:</b>		
Common capital stock		4,201,416
Gross paid in and contributed surplus		62,621,510
Unassigned funds (surplus)		102,986,307
<b>Surplus as regards policyholders</b>		<u>169,809,233</u>
<b>Total liabilities and capital and surplus</b>		<u>405,546,996</u>

I, David Pauly, CEO of Capitol Indemnity Corporation do hereby certify that to the best of my knowledge and belief, the foregoing is a full and true statutory Statement of Admitted Assets and Liabilities, Capital and Surplus of the Operation at December 31<sup>st</sup>, 2008, prepared in conformity with the accounting practices prescribed by the Insurance Department of the State of Wisconsin. IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Corporation at Madison, Wisconsin.

*David Pauly*

David Pauly  
CEO



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to reject bids from Areva and Usco and the two (2) alternate bids from Southern States Inc. for failure to meet bid specifications of equipment ratings.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Southern States Inc. for

Eight (8) 161kV Disconnect Switches

The amount of the purchase order agreement to be SEVENTY NINE THOUSAND AND 00/100 DOLLARS (\$79,000.00) plus sales tax, and Southern States Inc. being lowest responsible bidder.

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

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President

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Secretary