

FOR BOARD ACTION

Agenda Item # 5.b.

Meeting Date:

3/25/08

SUBJECT: Consideration of Bids, Current Limiting Reactors

PREPARED BY: Neil Stiller
Sr. Electrical Engineer

Bids were opened on March 13, 2008 for one set of three-phase current limiting reactors. This equipment will be used at the Cascade Creek Substation. It is part of a budgeted project to improve safety by reducing the amount of fault current workers and equipment are exposed to. Delivery of this equipment is scheduled for September, 2008.

Two bids were received. One bidder failed to include a bid bond and was disqualified. Technical evaluation of bids was performed by Ulteig Engineers Inc. along with staff.

The low bidder, Areva T&D Inc., proposed acceptable equipment and delivery schedules. RPU has not purchased similar equipment of this type in the last 10 years, however staff has experience with this manufacturer regarding other products.

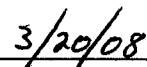
Bid information is summarized on the attached page.

UTILITY BOARD ACTION REQUIRED:

It is recommended that the Utility Board approve a purchase order agreement with Areva T&D Inc., in the amount of \$94,375.00.

Reviewed 3-19-08 WNS


General Manager


Date

ROCHESTER PUBLIC UTILITIES

Cascade Cr. Sub. Current Limiting Reactor Bid Tabulation and Evaluation

	<u>Trench</u>	<u>AREVA</u>	<u>Phoenix</u>
	By ProTech	By BSE	By ElectroTech
BID BOND (Y / N)	No	Yes	No Bid
BASE BID Unit Price	\$110,000	\$94,375	
OPTIONAL ALTERNATE BID Unit Price	\$155,000	\$143,475	
EXCLUSIONS OR EXCEPTIONS:		No support stand	
Adders to Conform bid to Specification		\$0	
TOTAL FOR 1 SET AS SPECIFIED	\$110,000	\$94,375	
DELIVERY DATE (Required September, 2008)	Disqualified	Sept. 2008	

**BID FORM
004160**

**CURRENT LIMITING REACTOR
BID DUE DATE: March 13, 2:00 PM Central Time**

PROJECT: City of Rochester, Rochester Public Utilities, Cascade Creek Combustion Turbine #1 Reactor

FROM: AREVA/Ritz

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 Current Limiting Reactor, including freight F.O.B. jobsite, insurance, overhead, profit, etc. and excluding taxes:

Base Bid

Item No.	Description	Base Bid Amount Current Limiting Reactors	Alternate Bid Amount Current Limiting Reactors
	TOTAL FIRM LUMP SUM BID FOR TOTAL EQUIPMENT SUPPLY OF CURRENT LIMITING REACTOR	\$ 94375	\$ 143 475

(1x) 3 phase stacked coils (3x) single stacked coils

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

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/Ritz

Bidder's Surety Company: Liberty Mutual Surety

Bonding Capacity: \$ 200 million Current Value of Work Bonded \$ 60 million

Name of Agent: Scott Insurance

Contact Name: Robert Coon Phone Number: 336-510-0072

Bid Bond Type Surety (price included in lump sum price)

Identification Number NA

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.)	✓ *	
Pricing will remain valid for acceptance for 90 days and is not subject to escalation.		✓ **
Does Bidder have a written Quality Assurance Program?	✓	
Bidder has supplied an overall schedule?	✓	
Bidder has completed the Sub-Contractor list? (Labor contracts only)		✓
Bidder has completed and submitted the Acknowledgement of Corporation Form?	✓	

* See summary of technical deviation and additional information

** Pricing is firm for 60 days

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
2.3.3	Insulators with ductile iron cap, hot galvanized are included.

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

AREVA/Ritz Quote # 2850605, Technical Sheets, Drawings, Bid Bond, Reactor Brochure, Reference List, Acknowledgment of Corporation Authorized Signature, Power of Attorney (2), 2005 Financial Statement, 2006 Financial Statement, Cover Letter

Sub-Contractors (Labor contracts only)

Bidder intends to procure the following items from other suppliers:

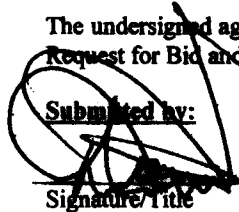
Component	Proposed Sub-Contractor
Not Applicable	

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	March 13, 2008	N/A
Signed Purchase Order Required to Meet Delivery Date		
Issue of Approval Drawings		1 week ARO
Deliver ARO		17-19 weeks / 22-24 weeks

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:  Commercial Director
Signature/Title

3/11/08
Date

AREVA/Ritz
Company

(706) 554-8800
Phone

1 Ritz Ave
Address

(706) 554-8808
Fax

Waynesboro, GA 30830
City/State/Zip

keith.hood@areva-td.com
Email

Ulteig engineers

Get the job done right

5201 E. River Road, Suite 308

Minneapolis, MN 55421-1027

Phone: 763.571.2500

Fax: 763.571.1168

March 19, 2008

Rochester Public Utilities
4000 East River Road NE
Rochester, MN 55906-2813
Attn: Neil Stiller

SUBJECT: Cascade Creek Substations
Current Limiting Reactor Bid Evaluation
Ulteig Projects #207.1062

Dear Mr. Stiller:

Ulteig Engineers, Inc. has reviewed proposals from AREVA/Ritz (ref. #100 2850605) and Trench Limited (ref. #20810039) for supplying current limiting reactors. Below is a summary of Ulteig's comments and recommendations:

Delivery

AREVA/Ritz quoted FOB destination, with delivery 17-19 weeks ARO (approximately September 1, 2008). Trench Limited quoted FOB destination, with delivery August 15, 2008. Both met the required delivery date of October 1, 2008.

Alternate Bid

Bidders were asked to submit an Alternate Bid to provide 1.0 ohm taps in addition to the full 1.25 ohms. Trench Limited's Alternate Bid was a three-phase stacked unit with the same terms and delivery as their Base Bid. AREVA/Ritz provided an Alternate Bid for a three single-stacked unit with the same terms as their Base Bid, but with a 22-24 week ARO delivery.

Subsequent studies have indicated there will be no significant advantage of the 1.0 ohm tap compared to the 1.25 ohm tap, and the Alternate Bid is considerably higher than the Base Bid. Therefore, the Alternate Bid will not be considered.



Get the job done right

5201 E. River Road, Suite 308
Minneapolis, MN 55421-1027
Phone: 763.571.2500
Fax: 763.571.1168

Base and Alternate Bids

The AREVA/Ritz and Trench Limited bids are as follows:

	Base Bid <u>(1.25 ohms w/ no tap)</u>	Alternate Bid <u>(1.25 ohms w/ 1.0 ohm tap)</u>
AREVA/Ritz	\$94,375	\$143,475
Trench Limited	\$110,000	\$155,000

Exceptions to the Specification

Neither bidder included a stand or pedestal in their proposal for raising the reactor mounting height.

Trench Limited did not include a Bid Bond in their proposal.

Recommendation

Ulteig Engineers, Inc. recommends AREVA/Ritz be awarded the purchase order for the current limiting reactors based on the bid evaluation, acceptable delivery and lowest Base Bid price (\$94,375).

Sincerely,

Robert Nundahl, PE
Project Engineer

c: Bob Ledebuhr, RPU

Enclosures



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Board approves a purchase order agreement with Aveva T&D, Inc. for the furnishing of

3 – 13.8 KV Outdoor Current Limiting Reactor

In the amount of NINETY-FOUR THOUSAND, THREE HUNDRED SEVENTY-FIVE AND NO/100 DOLLARS (\$94,375.00), 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 March 2008.

President

Secretary