

To: Honorable Public Utilities Board
Submitted by: _____
Robert Orbeta
AGM – Administration

From: Roger Yang
Support Services Manager
Approved by: _____
Nicolas Procos
General Manager

Subject: By Motion, Authorize the General Manager to Issue Purchase Orders to Howard Industries, Inc., in an Amount Not to Exceed \$38,200 per Material Specification No. MS 05-18-01, and to Anixter, Inc., in an Amount Not to Exceed \$ 10,300 and Power Partners, Inc., in an Amount Not to Exceed \$ 7,700

RECOMMENDATION

By motion, authorize the general manager to issue purchase orders to Howard Industries, Inc., in an amount not to exceed \$38,200 per material specification no. MS 05-18-01, and to Anixter, Inc., in an amount not to exceed \$10,300 and Power Partners, Inc., in an amount not to exceed \$7,700.

BACKGROUND

By Resolution No. 5147 issued on July 16, 2018, the Public Utilities Board (Board) authorized Alameda Municipal Power (AMP) to award purchases to Howard Industries, Inc. (Howard), ABB, Inc. (ABB), and Power Partners, Inc. (PPI), to supply various types of distribution transformers in accordance with material specification no. MS 05-18-01. These purchase awards were executed with initial one-time purchases with options to purchase additional materials for five years.

AMP previously purchased transformers in fiscal year (FY) 2020 in December 2019 from Howard in an amount not to exceed \$30,000 and ABB in an amount not to exceed \$60,500. In FY 2020 AMP also purchased transformers in January 2020 from PPI in an amount not to exceed \$7,800 and Anixter, Inc. (Anixter) in an amount not to exceed \$9,100, and in March 2020 from Anixter in an amount not to exceed \$2,200. All transformers ordered under the purchases in December 2019, January 2020, and March 2020 have been delivered and accepted by AMP.

AMP last purchased transformers in April 2020 from Howard in an amount not to exceed \$90,500 and ABB in an amount not to exceed \$96,100. All transformers ordered under the purchases in April 2020 are pending delivery and acceptance by AMP in October 2020.

The cumulative purchases by AMP in FY 2020, along with the current request in FY 2021, result in total purchases of \$158,700 from Howard, \$156,600 from ABB, \$19,000 from Anixter, and \$18,100 from PPI. The current proposed purchases from Howard and ABB each exceed the \$25,000 threshold in AMP's purchasing which requires approval from the Board. Even though the proposed purchases from Anixter and PPI do not exceed the \$25,000 threshold, staff has included the proposed purchase for approval in order to provide the Board a complete picture of transformer needs.

DISCUSSION

The following table shows a list of transformers with the last column showing the quantity recommended for purchase in order to replenish stock for emergency repairs, an overloaded pad-mounted transformer replacement, and a new development project for Rosefield Affordable Housing.

AMP Item Code	Description	Dielectric Fluid	Vendor	Recommended for Purchase
09001	25 KVA 1PH Pole, 120/240V	Mineral	Anixter	4
09002	37.5 KVA 1PH Pole, 120/240V	Mineral	Anixter	4
09003	50 KVA 1PH Pole, 120/240V	Mineral	PPI	5
09023	50 KVA 1PH Pad, 240/120 VOLT	Mineral	Howard	4
09024	75 KVA 1PH Pad, 240/120 VOLT	Mineral	Howard	1
09032	150 KVA 3PH Pad, 208Y/120 VOLT	Mineral	Howard	2

Staff requested new quotations from Howard to supply transformers recommended for purchase. Howard has quoted unit pricing that conformed to the price adjustment index for future purchases outlined in the final awards and provided necessary supporting calculations and documentation. Howard quoted their transformers lower as compared to the original contract price in 2018.

Since PPI could not comply with the index for additional purchases awarded along with the awarded initial purchases, AMP requested and evaluated three quotations from Howard, PPI, and Anixter. Staff recommends awarding purchases to PPI and Anixter based on the lowest bid prices including sales tax and delivery for pole mount transformers that conform to the technical specifications in material specification no. MS 05-18-01.

Staff recommends issuance of purchase orders to Howard in an amount not to exceed \$38,200, Anixter in an amount not to exceed \$10,300, and PPI in an amount not to exceed \$7,700, to

supply distribution transformers, for a combined total of \$56,200, including sales tax and delivery.

FINANCIAL IMPACT

AMP has sufficient funds in its FY 2021 budget for the purchase of distribution transformers.

LINKS TO AMP STRATEGIC PLAN

Business Resiliency, Strategy 1: AMP will develop an asset management plan to guide efficient capital and maintenance expenditures which improve system operations and resiliency.

EXHIBITS

- A. Pad Mount Transformer Bid Evaluation & Purchase Award Summary
- B. Pole Mount Transformer Bid Evaluation & Purchase Award Summary
- C. Transformer Purchase History

PAD MOUNT TRANSFORMER BID EVALUATION & PURCHASE AWARD SUMMARY

MS 05-18-01 FOR PAD MOUNTED TRANSFORMERS
 SEPTEMBER 2020 PURCHASE

Bid Item Number	AMP Item Code	KVA, PHASE, TYPE, VOLTAGE	Dielectric Fluid	Purchase Award	Proposed Purchase Quantity	Original Contract Price Each - MS 05-18-01 (Including Delivery, Excluding Sales Tax)	Vendor Quote (Including Delivery, Excluding Sales Tax)	Extended Quote Price (Including Delivery & 9.75% Sales Tax)
27	09023	50 KVA, 1PH, PAD, 240/120	Mineral	HOWARD	4	\$ 3,647.00	\$ 3,542.00	\$ 15,552.00
29	09024	75 KVA, 1PH, PAD, 240/120	Mineral	HOWARD	1	\$ 4,233.00	\$ 4,111.00	\$ 4,512.00
8	09032	150 KVA, 3PH, PAD, 208Y/120	Mineral	HOWARD	2	\$ 8,507.00	\$ 8,263.00	\$ 18,136.00
						GRAND TOTAL	HOWARD	\$ 38,200.00

POLE MOUNT TRANSFORMER BID EVALUATION & PURCHASE AWARD SUMMARY

POLE MOUNTED TRANSFORMERS QUOTE COMPARISON
 SEPTEMBER 2020 PURCHASE

AMP Item Code	KVA, PHASE, TYPE, VOLTAGE	Dielectric Fluid	PPI Unit Price Including Shipping & Sales Tax at 9.75%	Howard Unit Price Including Shipping & Sales Tax at 9.75%	Anixter Unit Price Including Shipping & Sales Tax at 9.75%	Recommended for Purchase Award	Proposed Purchase Quantity	Unit Price for Recommended Purchase Award	Proposed Purchase Amount
09001	25 KVA 1PH POLE, 120/240V	Mineral	\$ 1,179.81	\$ 1,446.51	\$ 1,128.23	Anixter	4	\$ 1,128.23	\$ 4,512.92
09002	37.5 KVA 1PH POLE, 120/240V	Mineral	\$ 1,437.73	\$ 1,863.56	\$ 1,423.46	Anixter	4	\$ 1,423.46	\$ 5,693.83
09003	50 KVA 1PH POLE, 120/240V	Mineral	\$ 1,521.14	\$ 2,277.31	\$ 1,742.83	PPI	5	\$ 1,521.14	\$ 7,605.68

SUBTOTAL PER VENDOR	Anixter	\$ 10,206.75
	PPI	\$ 7,605.68
GRAND TOTAL		\$ 17,812.43

POLE MOUNT TRANSFORMER BID EVALUATION & PURCHASE AWARD
 SUMMARY

TRANSFORMER PURCHASE HISTORY FOR FISCAL YEAR 2020
 SEPTEMBER 2020 PURCHASE

Purchase Date	Purchase Award	Purchase Amount
December 2019	Howard	\$30,000
December 2019	ABB	\$60,500
January 2020	PPI	\$7,800
January 2020	Anixter	\$9,100
March 2020	Anixter	\$2,200
April 2020	Howard	\$90,500
April 2020	ABB	\$96,100

SUBTOTAL PER VENDOR	ABB	\$156,600
	HOWARD	\$120,500
	Anixter	\$11,300
	PPI	\$7,800
GRAND TOTAL		\$294,220