



**CITY OF LODI
COUNCIL COMMUNICATION**

M

AGENDA TITLE: Approve Request for Proposals for Services to Perform Inspection, Adjustments and Maintenance Tests of Two Power Transformers at McLane Substation (EUD)

MEETING DATE: September 3, 2008

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Approve request for proposals for services to perform inspection, adjustments, and maintenance tests of two power transformers and associated load tap changers at McLane Substation.

BACKGROUND INFORMATION: There are two 31.25 MVA power transformers and associated load tap changers (LTC's) installed within McLane Substation. This equipment has been in operation since 1975. The last comprehensive maintenance tests were conducted on these transformers in 2003.

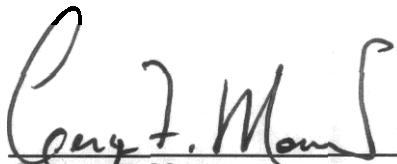
Given that it has been approximately five years since complete maintenance tests were performed on these transformers and LTC's, it is appropriate to perform such work at this time. It is necessary to contract for this service since the work is very specialized and requires unique tools/equipment.

Staff recommends the approval of this request in order to complete this task before the arrival of summer seasonal load in 2009.

FISCAL IMPACT: Estimated maintenance and repair cost is \$40,000

FUNDING: Fiscal Year 2008-09 Budget Account No. 160652,7323 (Substation Maintenance).


Kirk Evans, Budget Manager


George F. Morrow
Electric Utility Director

PREPARED BY: Demy Bucaneg, Jr., P.E., Assistant Electric Utility Director

GFM/DB/1st
Attachment

APPROVED: 
Blair King, City Manager

CITY COUNCIL

JOANNE MOUNCE, Mayor
LARRY D. HANSEN,
Mayor Pro Tempore
BOB JOHNSON
SUSAN HITCHCOCK
PHIL KATZAKIAN

CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

GEORGE F. MORROW, DIRECTOR

1331 S HAM LANE

LODI, CALIFORNIA 95242-3995

(209) 333-6762

FAX (209) 333-6839

BLAIR KING, City Manager

RANDI JOHL, City Clerk

D. STEPHEN SCHWABAUER,
City Attorney

August 13, 2008

To Prospective Bidders

Subject: **Request for Proposal (RFP) to Conduct Inspection, Adjustments and Maintenance Tests on Two Power Transformers with Load Tap Changers in McLane Substation**

The City of Lodi hereby invites sealed proposals to provide professional services to conduct inspection, adjustments, and maintenance of two power transformers with load tap changers in McLane Substation. Each bid shall be in accordance with this notice and specifications on file and available from the Engineering & Operations Division, City of Lodi Electric Utility Department, 1331 South Ham Lane, Lodi, California 95242, (209) 333-6800 ext. 2418. No bid will be considered unless it is submitted on a format according to the 'ORGANIZATION OF PROPOSAL' Section of this RFP document.

Sealed proposals shall be delivered to the Budget Manager at the City Hall Annex, 300 West Pine Street, Lodi, CA 95240 (P.O. Box 3006, Lodi, CA 95241-1910) on or before

September 24, 2008, at 11:00 a.m.

At that date and hour said sealed proposals will be publicly opened and read in the Public Works Conference Room, City Hall, 221 West Pine Street, Lodi, California. Bidders or their authorized representatives are invited to be present.

Please submit detailed proposal for review and evaluation. If there are any questions regarding this request for proposal, you may contact Weldat Haile, Senior Power Engineer at (209) 333-6763, by email at whaile@lodielectric.com. Arrangement for on-site inspection may be made by calling Mr. Haile at least 24 hours in advance of planned inspection.

DEMETRIO S. BUCANEG, JR. -PE
Assistant Electric Utility Director
Engineering & Operations Division
City of Lodi Electric Utility Department

INTRODUCTION

The City of Lodi Electric Utility Department (EUD) is inviting qualified firms to submit proposals to provide inspection, adjustments and maintenance services on two power transformers with load tap changers (LTC) in McLane Substation. The bidder acknowledges that the maintenance work shall be performed in the vicinity of and around energized lines, bus and equipment.

SCOPE OF WORK

Successful bidder shall provide personnel, test equipment, materials and supplies to perform the following scope of work:

1. Transformer Inspection and Maintenance
 - a. Mobilize personnel and equipment to EUD substation site
 - b. Verify proper switching and grounding of power equipment
 - c. Visual inspection of power transformer and associated equipment
 - i. Check for oil and nitrogen leaks
 - ii. Check tank pressure and operation of nitrogen systems
 - iii. Check condition of paint
 - iv. Check for broken and damaged components
 1. Bushings
 2. Arresters
 3. Conduit and junction boxes
 4. Control cabinets
 5. External power transformer indicators and auxiliaries
 - d. Conduct LTC inspection
 - i. Collect oil sample for analysis
 - ii. Check LTC breather
 - iii. Visual inspection for leaks and damage
 - iv. Check liquid level gage for operation and proper level
 - v. Check operations counter and record number of operations
 - vi. Check proper electrical and mechanical operation of LTC
 - vii. Verify operation of position indicator
 - viii. Check control cabinet and motor operator
 1. For cleanliness and moisture
 2. Wiring for cracked or damaged insulation, overheating and loose connection
 3. Operation of panel heaters
 - ix. Provide LTC contact lease kit, if needed (Note: Specify if this is an extra fee)
 - x. Drain and store oil from LTC compartment
 - xi. Rinse and clean switch compartment
 - xii. Check wear and alignment of all fixed and moving contacts
 - xiii. Replace any worn parts (Note: Specify cost if this is extra)
 - xiv. Operate LTC to verify proper mechanical timing and alignment on all taps
 - xv. Check and verify:
 1. Transition resistors
 2. barrier boards, seal and connections between main tank and LTC compartment
 3. condition of door gasket
 - xvi. Close and bolt LTC compartment door
 - xvii. Refill oil through pump/filter (Note: Specify cost should new oil is needed)
 - xviii. Check for oil leaks and proper oil level

2. Power Transformer Tests
 - a. Transformer turns ratio
 - b. Power factor of winding insulation
 - c. Winding insulation resistance
 - d. General functional check of controls, gages, cooling, LTC, etc.
 - e. Oil sample for DGA, oil quality and oil dielectric strength test
3. Clean-up and demobilize
4. Deliverables
 - a. Complete inspection report
 - b. Complete test results
 - c. Analysis and recommendations
 - d. Replacement parts and materials as needed

5. Performance and Schedule

The bidder acknowledges that the maintenance work shall be performed in the vicinity of and around energized lines, bus and equipment. The bidder also acknowledges that EUD will be performing normal maintenance, inspections and operations, as necessary, within the substation facility during the transformer inspection/maintenance period to maintain power supply to the City. It is estimated that the above scope of work will take approximately two (2) days per transformer to complete. All inspection tasks and tests must be completed before December 15, 2008. Saturday and Sunday shutdown for testing will be the preferred option in performing this activity. EUD reserves the right to cancel any scheduled maintenance work when electric power capacity is needed to serve the load.

SELECTION PROCESS

Proposals will be reviewed by the Assistant Director, Engineering & Operations Division and the Senior Power Engineer. Complete proposals will be evaluated based on the information submitted. This will permit a recommendation to the City Council for contract award.

REJECTION OF PROPOSALS

The City of Lodi Electric Utility Department reserves the right to reject any and all proposals and to solicit new proposals with modified terms and conditions. It also reserves the right to waive any informality in connection with the proposals.

GENERAL PROVISIONS

5-409 Responsibility for Damage The City of Lodi, its elected and appointed boards, commissions, officers, agents and employees shall not accept responsibility for any loss or damages that occur during the scope of work to the work or any part thereof; or for any material or equipment used in performing the work; or for injury or damage to any person or persons, either work personnel or the public; for damage to adjoining property arising from or related to Contractor's negligence or willful misconduct during the progress of the work or any time before final acceptance.

The Contractor shall indemnify and save harmless the City of Lodi, its elected and appointed boards, commissions, officers, agents and employees from any suits, claims or actions brought by any person or persons for or on account of any injuries or damages sustained or arising out of Contractor's negligent acts, errors or omissions in the performance of the work or in consequence thereof. The City of Lodi may retain as much of the money due the Contractor as shall be considered necessary until disposition has been made of such suits or claims for damages as aforesaid.

5-413 Insurance Requirements for Contractor The Contractor shall provide proof of insurance to be maintained during the life of this contract as listed under General Liability and Automobile Liability coverage listed below. These insurance policies shall protect the Contractor and any subcontractor performing work covered by this contract from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Contractor's operations under this contract, whether such operations be by Contractor or by any subcontractor or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

- | | |
|---|--|
| 1. <u>COMMERCIAL GENERAL LIABILITY</u>
Per Occurrence
\$1,000,000 Property Damage

Personal & Adv Injury
\$2,000,000 General Aggregate | 2. <u>COMPREHENSIVE AUTOMOBILE LIABILITY</u>
\$1,000,000 Combined Single Limits |
|---|--|

NOTE: Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section§ 810 et seq.).

A copy of the certificate of insurance with the following endorsements shall be furnished to the City of Lodi:

(a) Additional Named Insured Endorsement with Primary Wording

Such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed Boards, Commissions, Officers, Agents and Employees as additional named insured, insofar as work performed by the insured under written contract with the City of Lodi.

(This endorsement shall be on a form furnished to the City of Lodi and shall be included with Contractor's policies.)

Wording: Such insurance as is afforded by the endorsement for the Additional Insureds shall apply as primary insurance. Any other insurance maintained by the City of Lodi or its officers and employees shall be excess only and not contributing with the insurance afforded by this endorsement.

(c) Severability of Interest Clause

The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.

(d) Notice of Cancellation or Change in Coverage Endorsement

This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the City Attorney, City of Lodi, P.O. Box 3006, Lodi, CA 95241.

(e) Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

"Claims made" coverage requiring the insureds to give notice of any potential liability during a time period shorter than that found in the Tort Claims Act shall be unacceptable.

5-414 Workers' Compensation Insurance The Contractor shall provide proof of and maintain during the life of this contract, Worker's Compensation Insurance for all Contractor's employees employed at the site of the project and, if any work is Subcontracted, Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in hazardous work under this contract at the site of the project is not protected under the Worker's Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the City Attorney, City of Lodi, P.O. Box 3006, Lodi, CA 95241.

TERMS AND CONDITIONS

1. **ACCEPTANCE AND AMENDMENTS:** Seller (the supplier whose name appears on the face of this order) agrees that this order of the City of Lodi (hereinafter referred to as "City") becomes a contract, subject to the terms and conditions set forth below and on the face hereof, when acknowledgment has been signed and returned by Seller (if requested), or upon commencement of performance by Seller. Seller's different or additional terms and conditions are hereby objected to, and no additional or different terms and conditions of Seller, or agreement or understanding to modify contract shall be binding upon the City unless specifically agreed to in writing and signed by City's authorized representative(s). No other action by City shall constitute acceptance of Seller's different or additional terms and conditions.
 2. **COMPLIANCE WITH LAWS:** In the performance of work required under this order, Seller agrees to comply with all applicable federal, state and local laws, rules, regulations and ordinances, and shall hold City harmless from liability resulting from failure of such compliance.
 3. **FAIR LABOR STANDARDS ACT:** Seller certifies that all supplies, materials or equipment provided under this order will be produced in compliance with all applicable requirements of Section 6, 7, and 12 of the Fair Labor Standards Act, as amended, and all regulations and orders issued by the U. S. Department of Labor under said Act.
 4. **INDEMNIFICATION/HOLD HARMLESS:** Seller further agrees to indemnify and hold harmless City from any and all losses, liabilities, damages, claims, demands, suits, actions, proceedings, subrogations and expenses, including court costs and reasonable attorneys' fees, relating in any way to completion of this order, or the goods manufactured and delivered thereunder, except for goods manufactured entirely to City's specifications, and except for actions by City over which Seller has no control, which are claimed or made by any person, firm, or corporation, including employees, workers, servants or agents of Seller and Seller's subcontractors arising from any cause or for any reason whatsoever. Seller further agrees, upon receipt of notification, to promptly assume full responsibility for the defense of any and all such suits, actions, or proceedings which may be brought against Seller or against City.
 5. **PATENT INDEMNITY:** Seller shall hold City, its officers, agents and employees, harmless from liability of any nature or kind, including costs, expenses and attorneys' fees, for infringement or use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance provided or used in connection with performance under this order. Supplier may, at City's discretion, be required to furnish a bond or other indemnification to City against claims or liability for patent infringement.
 6. **DELIVERY:** Time shall be of the essence on this order, and if delivery of supplies, materials or goods is not made in the quantities and at the time(s) specified in the quotation or bid, City reserves the right without liability, and in addition to its other rights and remedies, to take either or both of the following actions:
 - (a) Direct expedited routings of goods ordered (the difference in cost between the expedited routing and the order routing costs shall be borne by the Seller);
 - (b) Terminate the order by notice, effective when received by the Seller, as to ordered goods not yet shipped, and to purchase substitute goods elsewhere and collect from Seller the difference in costs between the substitute goods and goods ordered under the contract.
- Neither City nor Seller shall be liable for excess costs of deliveries or defaults due to causes beyond its control and without its fault or negligence, provided, however, that when Seller has reason to believe that deliveries will not be made as scheduled, written notice setting forth the cause of the anticipated delay will be given immediately to City. If Seller's delay or default is caused by a delay or default of a subcontractor, such delay or default shall be excusable only if it arose out of causes beyond the control of both Seller and subcontractor and without the fault or negligence of either of them and the goods to be furnished was not obtainable from other sources in sufficient time to permit Seller to meet the required delivery or performance schedule. City reserves the right to refuse or reject all shipments over and above the quantity or quantities slated in the contract.
7. **CHANGE ORDERS:** City reserves the right at any time to make written changes within the general scope of the contract in any one or more of the following: (a) Specifications, drawings, and data incorporated in the contract where the items to be furnished are to be specially manufactured for City; (b) Methods of shipment or packing; (c) Time of delivery; (d) Place of delivery; (e) Method of delivery; (f) Quantities.
- If any such changes cause an increase or decrease in the cost of or in the time required for the performance of the contract, an equitable adjustment shall be made in the contract price, or delivery schedule, or both. Any claim by Seller for adjustment in this cause must be approved by City's authorized representative(s) in writing before Seller proceeds with such change. Price increases shall not be binding upon City unless evidenced by a change order, amendment, or revision signed by City's authorized representative(s).
8. **CANCELLATION:** For Seller's failure to comply with any material terms or conditions hereof, or for failure to perform on all or any part of the undelivered portion of the order or contract, City may cancel the order, in whole or in part, without further liability to the City. Such cancellation, however, shall be without prejudice to claims of either party arising prior to cancellation and without prejudice to any claim City may have against Seller for breach inducing cancellation. Failure of City to insist on strict performance or observance by Seller of the order, these conditions or City's rights in any one or more instances shall not constitute a waiver by City of such performance, conditions or rights either then or in the future. Either party may cancel the order without further cost or liability to the other party in the event that any proceedings are instituted by or against the other party in bankruptcy or insolvency under any provision of the Bankruptcy Code, as amended, or in the event of any assignment for the benefit of creditors.
 9. **REMEDIES:** Remedies of the parties of the contract include, but are not limited to, the following:
 - (a) If City cancels the contract in whole or in part as provided in Section 7, above, City may procure goods similar to those canceled, by such means and under such terms as City deems necessary and appropriate, and Seller shall be liable to City for any excess costs for such similar goods. Seller shall further be responsible for continued performance of any portion of the order not canceled according to the provisions of the contract;
 - (b) The rights and remedies of the City provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law, including consequential damages;
 - (c) The failure of City to insist upon strict performance of any of the terms of the contract, or to exercise any rights thereunder shall not be construed as a waiver of City's rights;
 - (d) Seller may be excused from performance under the contract provided that Seller notifies City within five (5) days of discovery of any of the following events:
 - 1.) Acts of God, acts of public enemy, acts of civil authority with lawful jurisdiction over Seller, acts of war, fire, flood, unusually severe weather, earthquake, epidemic, quarantine restrictions, freight embargoes, or acts of City;
 - 2.) Seller's failure to perform is caused by default of a supplier or subcontractor and if such default arises out of causes beyond the control of both the Seller and the supplier or subcontractor and without the fault or negligence of either party;
 - 3.) Seller has made a good-faith effort to obtain supplies or services from other sources in such time to meet City's required delivery schedules, if such events named above cause supplier default.
 10. **NOTICE OF LABOR DISPUTES:** Whenever an actual or potential labor dispute delays or threatens to delay the timely performance of the order, Seller shall immediately notify City in writing of all relevant information with respect to such dispute.
 11. **ADDITIONAL CHARGES:** No charges for packing, handling, drayage, or special shipping containers or protective materials will be allowed or paid by City unless specified on the face of the purchase order, or specifically listed as an additional and separate charge on Seller's bid. Seller shall be liable for damage to goods caused by improper packing, boxing, or crating.
 12. **SHIPMENT/RISK OF LOSS:** Unless otherwise stated on the face of this purchase order, all goods shall be shipped F.O.B. destination, and Seller shall bear all risk of loss or damage of goods covered by the order, except loss or damage occasioned by negligence of City, until final acceptance by City at delivery destination specified on the face of the order. City reserves the right to reject C.O.D. or collect shipments.
 13. **TITLE:** Title to all goods purchased hereon shall pass directly from Seller to City at the F.O.B. point specified in this bid and on the face of the order, subject to the right of City to reject goods upon inspection.
 14. **INSPECTION/ACCEPTANCE:** Payment for any goods purchased under the contract shall not constitute acceptance thereof. All goods purchased thereunder are subject to inspection at City's discretion, either before or after acceptance, at City's option. City reserves the right to reject and refuse acceptance of goods which is not in conformance with City's specifications, instructions, and drawings, and in conformance with Seller's warranties (express or implied). Goods not accepted will be returned to Seller for full credit or replacement at City's option and at Seller's risk and expense, including demurrage and/or transportation both ways. City shall not be liable for failure to accept any part of the goods ordered, if such failure is the result of any cause beyond the control of the City. Without limitation, among such causes are fires, floods, acts of God, strikes, casualties, delays in transportation, or partial or total closure of City's facilities. Acceptance of all or any part of the goods shall not be deemed to be a waiver of City's right either to cancel or to return all or any portion of the order because of Seller's failure to conform to the contract, or by reason of defects or other breach of warranty or to make any claim for damages caused by improper boxing, crating, packing or shipping. Such rights shall be in addition to any other remedies provided by law.
 15. **LIENS, CLAIMS, AND ENCUMBRANCES:** Seller warrants and represents that all goods delivered under this order will be free and clear of all liens, claims, and encumbrances of any kind.
 16. **PAYMENT/DISCOUNT:** Payment shall be made, upon submission of acceptable invoice(s), for goods delivered and accepted as specified herein and on the order. Drafts or statements will not be honored. It is the City's intent to pay all invoices within 30 days following receipt of invoice or date of delivery and acceptance, whichever is later. If invoice amount is in variance with contract amount, payment will be made within thirty days of resolution of variance and receipt of corrected invoice, if applicable.
 17. **RETURNS:** All goods purchased under this order are subject to City's inspection and approval as specified in Paragraph 14, above. Goods rejected by City for cause shall be held for pickup, returned, or stored at Seller's sole expense. Where return is necessary due to Seller's error, City reserves the right to assess handling charges equal to Seller's standard restocking fee, as a percentage of the value of the returned goods. Any costs incurred by City shall be promptly reimbursed to City by Seller.
 18. **WARRANTIES:** Seller hereby warrants with respect to goods furnished under this order that: (1) Seller has good title to the goods, (2) the goods conforms to City's specifications, instructions, and/or drawings, (3) the goods is fit for the purpose for which it is purchased, (4) the goods is merchantable, (5) the goods has no latent defect, and (6) the goods has been manufactured in a good workmanlike manner using the highest quality material in conformity with the best standard manufacturing practices. This warranty shall survive any inspection, acceptance or return of any such goods and shall apply to City and its customers.
 19. **DISPUTES/GOVERNING LAW:** In any suit or action brought to enforce any term, condition, or covenant herein, or to recover damages arising from any breach of the contract, the losing party shall pay to the prevailing party reasonable attorneys' fees and all other costs and expenses which may be incurred by the prevailing party in any such suit or action and in any reviews thereof and appeals therefrom. The laws of the State of California shall govern any order made pursuant to this bid and subsequent award, and the venue of any actions, disputes, or claims brought thereunder shall be laid in or transferred to the County of San Joaquin in the State of California.

MAILING LIST

Geo. E. Honn Company, Inc.
853 Cotting Court, Suite A
Vacaville, CA 95688
Tel. No. (707) 455-0241
Fax No. (707) 455-0245
Attention: James Magolske

Waukesha Electric Systems, Inc.
c/o Isberg Nott Company
4725 First Street, Suite 265
Pleasanton, CA 94566
Tel. No. (925) 426-4718
Fax No. (925) 426-0323
Attention: Karie Spowart or Steve Kanty

Western Utilities Transformer Service
1010 N. Plaza Drive
Visalia, CA 93291
Tel. No. (559) 651-0141
Fax No. (559) 651-0143
Attention: Tony Borba

Transformer Services, Inc.
3075 NW Park View Lane
Portland, OR 97229
Tel. No. (503) 645-3500
Fax No. (503) 645-3588
Attention: Dan Lupuleasa