



City Council Report

Date: June 3, 2019
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Ratification of the Emergency Purchase of Circuit Breakers and Related Materials and Repairs for the Fraser Substation as requested by the Energy Resources Department **(Funded by authorized 2014 Electric Bond Funds) (Districts 1 and 4)**

Recommendation

Council is requested to approve the purchase as recommended.

The Energy Resource Department and Purchasing recommend ratifying the emergency purchase of services, equipment, materials, and supplies from various vendors and service providers, at \$292,224, based on estimated requirements.

Background / Discussion

In response to the April 15, 2019 failure of 20-year old 69kV circuit breakers at the Fraser Substation, the City Manager's Office authorized an Emergency Purchase for the acquisition of services, equipment and materials to alleviate the systemwide N-2 substation outage condition caused by the failure of both 69kV breakers and the loss of 48 MW of available distribution capacity for electric service to 16,800 Mesa Electric Utility customers.

In order to make the repairs needed to re-energize and restore Fraser Substation to service, Electric Utility is performing the following:

- acquiring contractor services to assist with repair work, perform testing and commissioning;
- performing testing of the transformers and related equipment;
- purchasing new replacement SF-6, 69kV breakers;
- purchasing, installing and terminating new power and control cable on of the 69kV breakers;
- purchasing and installing new replacement arrestors on the incoming Fraser 69kV bus structure; and
- purchasing and installing new replacement 69kV gang-operated switches and devices.

Fraser Substation's return to full service is needed before the start of the summer peak load and peak cooling season. The electric utility must be at maximum distribution capacity and load management capabilities during the high load period from May/June through September.

On April 16, 2019, Electric Utility Substation and Transmission and Distribution personnel, Engineers from Energy Resources Planning and Engineering, initiated the process for the restoration of Fraser Substation. This work is ongoing and is expected to continue through the completion of full restoration of Fraser and both transformers.

On April 26, an agreement was executed with ESS Corporation (ESS) for services to restore the Fraser Substation to full operation, delivering power to Mesa Electric customers. ESS is currently on-site and performing various services defined in the Agreement's Scope of Work. An amendment to the agreement with ESS was required to cover expenses for consulting services and other material purchases.

Following a request for quotes, on May 14 purchase orders were issued, for the manufacture/fabrication of new replacement 69kV breakers. Major equipment purchases of arrestors, switches, and insulators was initiated on April 18 and is in progress. A 20% contingency is also included to cover any unforeseen expenses involved in the repair and restoration of the substation.

The City Manager's Office authorized the emergency procurement as necessary for the immediate preservation of the public health and the public safety on April 18, 2019.

Purchase Information

Actions: Ratification

Procurement Type: Emergency Purchase

Contract Number: 2019198

Funding Source: Energy Resources Department – 2014 Electric Bond Funds

<u>Description</u>	<u>Vendor / Provider</u>	<u>Status</u>	<u>Cost</u>
Service Agreement	ESS	Encumbered	\$63,940
Service Agreement Amendment	ESS	Encumbered	\$25,000
69kV Breaker Purchase	Anixter	Encumbered / Ordered	\$121,621
69kV Arrestors Purchase	Anixter	Purchased	\$7,760
69kV Insulators Purchase	Border States	Quoted	\$1,000
Miscellaneous Hardware, Tools, Equipment and Materials	Anixter, Fisher, AZ Select, Lenhart's, Border States, Bashas, Copper State, Bolt & Nut	Purchased	\$4,199
69kV Switches	TBD	Revising specifications and obtaining Quotes	\$20,000
Sub Total			<u>\$243,520</u>
20% Contingency Request			\$48,704
Estimated Project Total			<u>\$292,224</u>