



# City Council Report

**Date:** March 6, 2023  
**To:** City Council  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Kristy Garcia, Procurement Administrator  
**Subject:** Purchase of Services for Transformer Maintenance for Lewis West Substation for the Energy Resources Department **(Sole Source) (Citywide)**

## Purpose and Recommendation

Council is requested to approve the award as recommended.

The Energy Resources Department and Purchasing recommend awarding the contract to the qualified vendor, Reinhauser Manufacturing, Inc. for \$67,000, based on estimated requirements.

## Background / Discussion

Annual oil analysis of the Lewis West substation transformer indicates a high level of breakdown of the transformer's load tap changer (LTC) compartment's oil. Due to the age of the LTC and the number of operations, the manufacturer recommends that the LTC be drained of oil, inspected and serviced, and the oil replaced. This purchase will provide complete transformer and LTC servicing at the substation.

The City's electrical system provides electrical service to over 17,400 customers through four electric substations. Each substation contains two oil-filled 69kV/12.5kV substation transformers that provide the distribution power required for customer loads. Each transformer provides electrical service to 1/8 of City customers and City facilities. Lewis West substation's transformer is a Virginia Transformer unit equipped with a Reinhausen oil-filled LTC to maintain a consistent load voltage to City facilities, businesses, and residential customers. The transformer was built in 1999, and the LTC in 1998. Currently, the LTC has performed 48,614 operations.

Reinhausen provides factory knowledge and experience and services proprietary Reinhausen units to factory specifications. Reinhausen has the resources available to offer complete transformer and LTC servicing. Energy Resources – Electric Utility does not have the manpower, equipment, experience, or knowledge required to fully service the substation transformers or LTCs.

Three quotes were attempted but responses from vendors indicated they offer some aspects of service but cannot perform the entirety of the scope required. Additionally, the other vendors require out-of-state equipment resources as far away as Wisconsin, which

complicates planning due to the demand and prior commitments of those services and the distances and additional costs required to transport equipment.

Reinhausen is a local company that recently completed the Lewis West Substation Upgrade project, has performed work at all four City substations, and understands the procedures and details of our system. Reinhausen is able to schedule to accommodate the work the City requires to keep the equipment operating efficiently and reliably, ensuring all work is to factory specifications to see the full-service life of the equipment. Failure to maintain the substation transformers and LTCs in a timely manner, and to factory specifications will result in shorter service life or catastrophic failure, resulting in environmental and physical damages, fire, and possible substation personnel or fire response injury.

### **Purchase Information**

Action: Award

Procurement Type: Sole Source

Contract Number: 2023210

Quote Number: 1000084300 (1/18/2023)

Local Consideration: Policy did not apply to this procurement method

Protests Received: None

Funding Source: Electric Utility Enterprise

Purchase	
Services for Transformer Maintenance – LTC Oil Replacement and Inspection per Contract No. 2023210, and Quote No. 1000084300 (1/18/2023)	
Tap Changer Inspection and Oil Change-Out	\$41,679.04
Potential Parts for Repair	<u>\$25,084.03</u>
Services Total	<u>\$66,763.07</u>