

Agenda Report

TO: CITY COUNCIL **DATE:** November 5, 2001
FROM: CITY MANAGER
SUBJECT: Furnishing and Delivery of a Vacuum Oil Purifier/Degasifier

RECOMMENDATION

It is recommended that the City Council accept the bid dated October 9, 2001, submitted by Enervac Corporation, in response to the specifications to furnish and deliver a vacuum oil purifier/degasifier and authorize the issuance of a purchase order not to exceed \$89,561.

BACKGROUND

This contract award is for furnishing and delivery of a new vacuum oil purifier/degasifier for the City's Water and Power Department. Most of the high voltage equipment in the City's electrical substations use oil to either extinguish arcs or to provide insulation. Consequently, over time, the oil deteriorates due to moisture and oxidation and becomes less effective. The City uses approximately 300,000 gallons of oil for these purposes and must replace it on a regular basis at an average cost of \$2.50 per gallon. This cost does not include the fees that are charged to dispose of the oil. The oil purifier treats the used insulating oil by removing water, dissolved gases and particulate matter. It is substantially more cost effective to treat the oil than it is to replace it. Also, in order to perform maintenance on certain electrical equipment, the oil must be treated. Currently, private contractors are performing this process. Therefore, by purifying the used oil, through the dehydration/degasification process, the Water and Power Department will substantially reduce replacement cost associated with purchasing new oil and maintenance on the equipment.

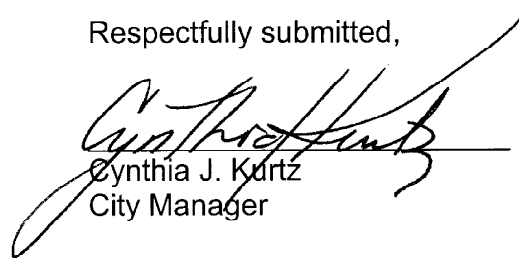
On September 27, 2001, a Notice Inviting Bids was published in *The Pasadena Journal*. In addition, specifications were mailed to three vendors on the Purchasing Division's vendor list who specialize in this type of product. A bid notification was also posted on the City's web page. Only one response was received and opened in the City Clerk's office on October 9, 2001.

The bid from Enervac Corporation is responsive to the bid specifications. Therefore, it is recommended that Enervac Corporation be awarded the purchase order for the vacuum oil purifier/degasifier.

FISCAL IMPACT

Sufficient funds in the amount of \$89,561 are available in Water and Power account # 401-843320.

Respectfully submitted,



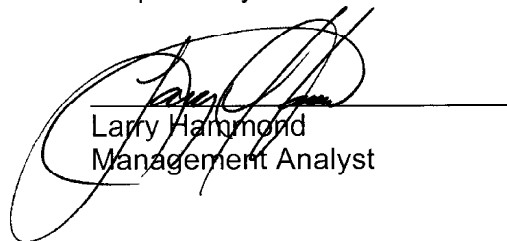
Cynthia J. Kurtz
City Manager

Approved by:



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