

Agenda Report

To: CITY COUNCIL

Date: JANUARY 26, 1998

From: CITY MANAGER

Subject: REJECTION OF ALL BIDS - SPECIFICATIONS LD-97-8, FURNISHING AND DELIVERING FIVE (5) SF₆ CIRCUIT BREAKERS FOR THE WATER AND POWER DEPARTMENT

RECOMMENDATION

It is recommended that the City Council reject all bids for Specifications LD-97-8, Furnishing and Delivering Five (5) SF₆ Circuit Breakers.

BACKGROUND

Specifications LD-97-8 provides for the purchase of five SF₆ power circuit breakers to be used in construction of the subtransmission Line 34-10 from the T.M. Goodrich Receiving Station to the Santa Anita Substation. As part of the project, one circuit breaker will be used to transfer Line 34-27 to enable maximum reliability to the installation of the cross-town transmission system. The addition of Line 34-10 will require the installation of four circuit breakers. This will provide relief of the present transmission difficulty of providing maximum power transfer capability.

The bid opening for this project was November 20, 1997 and two bids were received. The lowest bidder was Siemens at \$171,693.75, while the second lowest bidder, ABB Power T&D Company, was \$200,640.00; the dollar difference between the two bidders being \$28,946.25.

Although they submitted the lowest bid, Siemens took several exceptions to the City's specification because they would not accept unlimited liability as required. Awarding the contract to Siemens creates the risk that the other bidder, ABB, will challenge the award. Conversely, it is not in the City's best interest to contract with ABB due to the fact its bid was nearly \$29,000 higher than Siemens. Staff has considered the exceptions submitted by Siemens and feels a limitation of liability clause could reasonably be incorporated into the specification and still maintain the City's best interest. There is sufficient time within the project to re-bid the specification.

FISCAL IMPACT

The Engineer's estimate for the equipment that was to be furnished and delivered under Specification LD-97-8 was \$180,000. Funding is from the Power Fund, Capital Improvement Program under Budget Account No. 3046 for Subtransmission Line 34-10, T.M.Goodrich to Santa Anita.

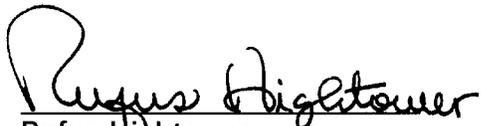
Respectfully submitted,


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