

Agenda Report

DATE: JUNE 19, 2006

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO ENTER INTO PURCHASE ORDER CONTRACT WITH ENERVAC CORPORATION TO FURNISH AND DELIVER A VACUUM OIL PURIFIER/DEGASIFIER FOR THE CITY OF PASADENA.

RECOMMENDATION

It is recommended that the City Council:

1. Accept the bid dated February 15, 2006 submitted by Enervac Corporation in response to Specification to Furnish and Deliver One Vacuum Oil Purifier/Degasifier.
2. Reject all other bids;
3. Authorize the issuance of a purchase order to Enervac Corporation for a total amount not to exceed \$277,625.75.

BACKGROUND

Pasadena Water and Power (PWP) high voltage, substation distribution equipment, including power transformers, switches, and circuit breakers contain approximately 300,000 gallons of insulating oil to extinguish arcs, cool equipment and for dielectric insulation. Over time, the oil deteriorates and becomes ineffective due to moisture, heat and oxidation. This condition results in increased maintenance cycles and cost along with a reduction in the useful life of the oil-bearing equipment.

PWP currently has an existing vacuum oil purifier/degasifier which reconditions up to 175,000 gallons of oil annually. This oil must be routinely processed and purified or totally replaced to ensure efficient, safe operation of this oil-bearing equipment and prevent possible catastrophic failures.

The current oil filtration system has reached the end of its useful life of approximately eight years and is no longer effective in terms of quantity and quality of oil processed. The proposed new equipment will provide enhanced oil purifying and increased processing capability with a loss reduction under 50%.

Installation of the recommended equipment will extend the useful life of critical substation transformers and switches as well as decrease the level of maintenance required on this equipment

On January 26, 2006, a Notice Inviting Bids to Furnish and Deliver a Vacuum Oil Purifier/Degasifier was published in the Pasadena Journal and posted on the City's web page. In addition, specifications were mailed to seven businesses on the Purchasing Division's vendor list. Two bids were received and opened on February 15, 2006. The per unit item bid results are as follows:

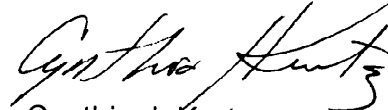
<u>BIDDERS</u>	<u>VACUUM OIL PURIFIER/DEGASIFIER</u>
Enervac Corporation	\$277,625.75
GE Energy	\$309,054.00

Enervac Corporation was the lowest responsive bidder that met all of the requirements of the specifications and is recommended to receive the purchase contract for an amount not to exceed \$277,625.75. This amount includes the base bid price, sales tax and delivery and shipping fees. The proposed contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated there under.

FISCAL IMPACT

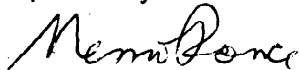
Sufficient funds are available in the Power Fund's account 8504-411-843320-0362 to purchase the vacuum oil purifier/degasifier equipment.

Respectfully submitted,




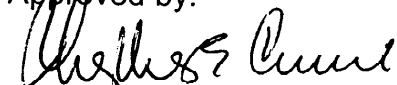
Cynthia J. Kurtz
City Manager

Prepared by:



Memo Ponce
Management Analyst III
Water and Power Department

Approved by:



Phyllis E. Currie
General Manager
Water and Power Department

Contractor hereby discloses its trustees, directors, partners, officers, and those with more than a 10% equity, participation, or revenue interest in Contractor, as follows:

[illegible]