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| ITEM #: | 17 |
| DATE: | 05-12-26 |
| DEPT: | ELEC |

COUNCIL ACTION FORM

SUBJECT: GENERATOR STEP-UP (GSU) TRANSFORMER FOR AMES MUNICIPAL ENERGY CENTER

BACKGROUND:

The Electric Services Department is in the process of designing a new thermal generation facility called the Ames Municipal Energy Center (AMEC). The facility will utilize reciprocating internal combustion engines (RICE unites) to generate electricity. The initial phase of the project will include three RICE units, and a further three will be installed in the future for a total of six units. Each set of three RICE units will be connected to a Generator Step-Up Transformer (GSU) to transmit the electricity to the utility's electric grid. The transformer has a long lead time to manufacture and deliver.

The City has retained Sargent & Lundy to assist in the design and specification of the AMEC, including preparing specifications for the GSU and analyzing the bids received. **The Engineer's estimate for this equipment is \$3,600,000.** On February 20, 2026, an Invitation to Bid was posted to AmesBids by Purchasing, for the purchase of a GSU. On April 24, 2026, 10 bids were received as shown in the table below:

| BIDDER | BID AMOUNT |
|---|-------------------|
| Cavalry Energy LLC Warrendale, PA | \$1,641,075.00 |
| EL Power Tech Co., LTD. Hwaseong-Si, Gyeonggi-Do, Korea | \$1,940,000.00 |
| Meta Power Solutions Lake Park, FL | \$2,152,856.16 |
| Cahoon Sales, Inc. Iowa City, IA | \$2,248,100.00 |
| Cleaves-Bessmer-Marietti, Inc. Lee's Summit, MO | \$2,285,368.00 |
| RESCO (Rural Electric Supply Cooperative) Ankeny, IA | \$2,511,487.00 |
| WEG Transformers Washington, MO | \$2,532,176.00 |
| Hyundai Corporation USA Torrance, CA | \$2,645,075.00 |
| Energy Solutions Inc. Elkhorn, NE | \$3,564,998.00 |

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|---|--------|
| Fletcher Reinhardt Co Cedar Rapids, IA | No Bid |
|---|--------|

Staff and Sargent & Lundy are in the process of evaluating each bid to make sure they meet the specifications. This includes the size and performance capabilities of the equipment being bid, the efficiency of each unit, the place of origin and delivery methods, delivery times, the offered payment schedule, etc.

While the purchase of the GSU is not a public improvement project that requires bids to be reported to City Council, staff thought it best to continue to keep Council informed because it is a major piece of equipment for the new Ames Municipal Energy Center. **Therefore, the Council action requested at this time is to accept the report of bids and delay the award so staff and Sargent & Lundy can thoroughly evaluate the bids to ensure a quality product is selected for the award.** Staff anticipates returning to Council at the May 26 meeting with a recommendation to award a contract.

ALTERNATIVES:

1. Accept the report of bids and delay the award to provide staff additional time to evaluate bids.
2. Reject all bids and direct staff to rebid.

CITY MANAGER'S RECOMMENDED ACTION:

The purchase of the GSU is the first significant construction milestone in the development of the Ames Municipal Energy Center. It is essential for staff to take the time to thoroughly evaluate the bids to ensure a quality product is selected for the award, while remaining sensitive to the long lead times necessary to construct and deliver this equipment. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.