

ITEM #:	<u>20</u>
DATE:	<u>12-16-25</u>
DEPT:	<u>ELEC</u>

COUNCIL ACTION FORM

SUBJECT: PURCHASE OF DISTRIBUTION TRANSFORMER FOR ELECTRIC SERVICES DEPARTMENT

BACKGROUND:

This award is for the purchase of an electric distribution transformer necessary to meet the anticipated needs of the Electric Services Department. Transformers are kept on hand in order to ensure availability which will enable staff to replace failed transformers quickly. They are also necessary to meet the anticipated needs of the Electric Services Department for new services and maintenance activities. Typically, this size transformer is used to provide service commercial and industrial applications.

On November 11, 2025, an RFQ document was posted to Ames Bids, the electronic bidding site. The bid specifications included a list of approved manufacturers. Bids were received on December 2, 2025. A total of 16 responses were received, with two responses of "no bid." The bids are shown in the table below.

The table reviews the bids in two ways: 1) The "Response Total Cost" column is based on the unit cost of the transformers as bid by the supplier, and 2) The "Evaluation Cost" reflects the unit cost of the transformers plus an "energy loss" component that considers losses in the transformer under no-loss and low-loss operation. Transformers that are less efficient under this evaluation are shown as costing more in this "Evaluation Cost" column:

	Response Total Cost*	Evaluation Cost*
AR Transformers of Las Vegas, NV	\$40,660.00	\$91,699.00
RESCO (Rural Electric Supply Cooperative) of Ankeny, IA	\$58,710.90	\$100,975.90
Intellogic Engineering of Maple Ridge, BC, Canada	\$54,356.00	\$101,436.00
Border States of Ames, IA	\$75,347.75	\$124,266.01
Irby Utilities of Rapid City, SD	\$78,152.80	\$127,071.06
WESCO Distribution, of Des Moines, IA	\$79,294.49	\$127,091.39
MVA Power of L'Assomption, QC, Canada	\$57,516.58	\$127,965.38
Fletcher Reinhardt Company of Cedar Rapids, IA	\$79,420.75	\$128,339.01
Tesla Transformadores (Nacional de Transformadores SAS) of Funza, Cundinamarca, Colombia	\$83,436.46	\$129,176.82
TOCA LLC of Keller, TX	\$81,225.84	\$130,144.10

Solomon Corporation (Solomon Transformers) of Solomon, KS	\$99,194.35	\$148,112.61
Tech Electric Company of Menomonee Falls, WI	\$111,535.73	\$159,332.63
Midwest Electric Transformer Services of Hesston, KS	\$92,913.45	\$177,049.69
ECB Solutions of Oxford, MS	\$128,400.00	\$196,666.00
Dakota Supply Group of Ames, IA	No Bid	n/a
Echo Electric Supply Co. of Ames	No Bid	n/a

***Price is inclusive of 6% State of Iowa Sales Taxes Plus 1% Local Tax.**

Although the bid from AR Transformers, Inc. was the lowest under both the response cost and the evaluated cost, it was found to be non-responsive because the manufacturer is not approved. **RESCO of Ankeny, Iowa was the lowest responsive, responsible bidder, offering a transformer that met all specifications.**

This contract will be funded from the Underground System Improvements/Transformers account in the adopted FY 2025/26 budget. The available budgeted amount is \$400,000.

ALTERNATIVES:

1. Award a contract to RESCO, of Ankeny, IA, for the purchase of a 2500 KVA three phase pad mounted distribution transformer in the amount of \$58,710.90. Payments will be based on unit prices and quantities ordered inclusive of all applicable sales taxes.
2. Award the contract to another bidder.
3. Reject the bids.

CITY MANAGER'S RECOMMENDED ACTION:

Transformers are critical to provide reliable electric service to customers of the Ames Municipal Electric System. It is important to purchase transformers at the lowest possible cost with minimal risk to the City. It is also imperative to have transformers available to meet customer needs in the short-term as well as the long-term. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.