

ITEM #: 18
DATE: 03-11-25
DEPT: ELEC

COUNCIL ACTION FORM

**SUBJECT: SUBSTATION TRANSFORMER MAINTENANCE AND REPAIR SERVICES
FOR ELECTRIC SERVICES**

BACKGROUND:

The Electric Department maintains transformers throughout the community. **Routine maintenance for transformers involves servicing internal components, filtering the oil to remove gases and contaminants, and adding inhibitor to prevent moisture buildup in the windings, protecting against failure. Recent checks revealed that two large transformers in the City's electric system need oil reconditioning, Load Tap Changer servicing, and internal contact cleaning. Since both transformers have the same type of Load Tap Changer, which is unique to the rest of the City's transformers, it was decided to combine the repairs into one job.**

Bids were solicited for substation transformer maintenance and repair services. On February 25, 2025, bids were received as follows:

BIDDER	COST*
Southwest Electric Company, Oklahoma City, OK	\$98,820.92
RESA Service, Houston, TX	\$111,849.24
Power Substation Services, Wheeling, OH	\$146,344.97
Energy Solutions, Elkhorn, NE	\$150,870.00
Transfluid Services, Houston, TX	\$158,327.90
North American Substation Services, Altamonte Springs, FL	\$232,939.00
AES Kinetics, Naperville, IL	\$233,361.65
Cahoon Sales, Iowa City, IA	\$285,690.00

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

Staff reviewed the bids and concluded that the apparent low bid submitted by Southwest Electric Company is acceptable. The FY 2024/25 budget contains \$120,120.35 for this work.

ALTERNATIVES:

1. Award contract to Southwest Electric Company, of Oklahoma City, OK for substation transformer maintenance and repair services in the amount of \$98,820.92.
2. Purchase the service from one of the other bidders.
3. Reject the award and direct staff to re-bid.

CITY MANAGER'S RECOMMENDED ACTION:

Substation transformers are critical components that transform high voltage electricity to distribution level voltage. Transformer failures negatively impact reliability, and the failed equipment is expensive to replace. It is good utility practice to monitor and service these transformers to limit problems in the future. Oil reconditioning, tap changer servicing, and contact cleaning are prudent preventative maintenance activities. Therefore, it is the recommendation of the City Manager to approve Alternative No. 1, as described above.