

**PUBLIC UTILITY DISTRICT No. 1**  
*of Whatcom County*

**Agenda for the**  
**Regular Meeting of April 27, 2021**  
**8:00 a.m. via Zoom Teleconference**

1. Call to Order | Pledge of Allegiance
2. Approval of Agenda
3. Consent Agenda
  - a) Approval of the Meeting Minutes of the Meeting of April 13, 2021
  - b) Approval of Claims for April 27, 2021
4. Old Business
  - a) General Manager Appointment Process Update
5. New Business
  - a) Approve 2020 Annual Financial Report
  - b) Award of Bid: 115kV Transmission Pole Replacement Project
  - c) Approve Interlocal Agreement with City of Sumas and Transfer of BPA Energy Efficiency Incentive Funding
  - d) Rejection of Bids: Refinery Substation Equipment Purchase
  - e) Cherry Point Infrastructure Discussion
6. General Manager Report
7. Commissioner Reports
8. Public Comment
9. Adjourn

**Until further notice:** Whatcom PUD's Offices are closed to public access. Due to the **Updated Open Public Meetings Act General Guidance Regarding the COVID-19 Event**, the PUD Meeting Room is not open to the public. All Commissioners will participate via teleconference.

**The public meeting can be accessed by internet:** <https://us02web.zoom.us/j/84618291691>

**Or by telephone:** Dial 1 (253) 215 8782 or 1 (346) 248 7799

**Webinar ID:** 846 1829 1691

**Next Commission Meetings**

May 11 & 25, 2021 | 8:00 a.m. | Regular Meetings

*Access information will be announced - the public may join the meeting by teleconference.*

Contact: Ann Grimm, Commission Clerk at (360) 384-4288 x 27 • [www.pudwhatcom.org](http://www.pudwhatcom.org)

# PUBLIC UTILITY DISTRICT No.1

*of Whatcom County*

1705 Trigg Road • Ferndale, WA 98248

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**AGENDA ITEM # 5d**  
April 27, 2021

## Memo

**To:** Commissioners Deshmane, Grant, and Murphy

**From:** Stephan Jilk – General Manager

**Date:** April 27, 2021

**Re:** Reject As Non-Responsive All Bids Submitted for the Supply and Delivery of Electrical Substation Equipment Consisting of Two Transformers for the Refinery Substation (CIP-E27)

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**Requested Action** – REJECT AS NON-RESPONSIVE ALL BIDS SUBMITTED FOR THE SUPPLY AND DELIVERY OF ELECTRICAL SUBSTATION EQUIPMENT CONSISTING OF TWO TRANSFORMERS FOR THE DISTRICT'S REFINERY SUBSTATION PROJECT (CIP-E27)

**Background** – The District owns and operates the Refinery Substation serving the Phillips 66 Refinery. Refinery staff expect the need for increased electrical load in the near future and in order to accommodate the increase in electrical load the substation serving the refinery will require improvements to increase the capacity to handle future electric demand.

District staff, with support of its electrical engineering consultants and refinery staff have discussed conceptual design, scope and potential costs of substation improvements. Some of the major equipment required has a very long lead time from placement of the order to delivery of the equipment.. The timeline may be longer than 52 weeks. Final substation site design is dependent on the major electrical equipment being selected in order to complete the final project specifications. Therefore, purchase of the equipment must precede completion of the final site design, as the specifications of the equipment selected will drive the design.

The main power transformers are one of the major pieces of equipment with a very long lead-time. The 2021 Capital Improvements Budget included the preliminary design and engineering of the Refinery Substation Improvements (CIP-E27). During the 2021 to early 2022 period, engineering, permitting and final design will be substantially completed. Construction of the improvements is anticipated to be completed during the fourth quarter of 2022.

On April 13, 2021 the District received and publicly read aloud nine (9) bids submitted for this project. The Engineer's Estimate for the total purchase of both transformers is \$1,920,000.00, not including tax. District purchasing guidelines restrict the District from awarding bids which are 15% or greater above the Engineer's Estimate. Out of the nine (9) bids received, five (5) of the bids were rejected because the proposed price for each

bid was greater than 15% over the Engineer’s Estimate. The four remaining bids were below the 15% cap, but each had proposed exceptions to either the District’s standard contract or equipment specifications.

***Transformer Bids Submitted***

<b><u>Bids greater than 15% above engineers estimate</u></b>	<b><u>Bid Total Including Tax</u></b>
Siemens	\$2,571,905.70
Weg	\$2,413,439.00
Hitachi	\$2,385,796.00
PTI	\$2,247,000.00
SPX	\$2,228,778.79

<b><u>Bids less than 15% above engineers estimate</u></b>	<b><u>Bid Total Including Tax</u></b>
Mills Electric	\$2,198,495.50
Aubrey Silvey Enterprises	\$1,959,904.00
<b>Anixter Inc.</b>	<b>\$1,931,408.50</b>
Virginia Georgia Transformer	\$1,747,138.00

***Engineer’s Estimate*** ***\$1,920,000.00***

Based on the review of all bids, staff recommends the rejection of all bids submitted as non responsive. Staff will evaluate in consultation with the District’s electrical engineering consultant the standard contract exceptions proposed by the bidders, the equipment and delivery specifications and modify as deemed necessary. It is the intent of staff to move quickly in modifying the bid package and re-advertising the request for bids for the two transformers required as part of the Refinery substation project.

**Fiscal Impact** – This Project is funded for 2021, as part of the approved Capital Improvement Projects (CIP E-27) Budget.

**Recommended Action** – REJECT AS NON-RESPONSIVE ALL BIDS SUBMITTED FOR THE SUPPLY AND DELIVERY OF ELECTRICAL SUBSTATION EQUIPMENT CONSISTING OF TWO TRANSFORMERS FOR THE DISTRICT’S REFINERY SUBSTATION PROJECT (CIP-E27)