



Legislation Text

File #: 3295-2017, Version: 1

1. BACKGROUND: To authorize the Director of Finance and Management to enter into a contract with VRT Power Ltd. for the purchase of an Auto Transformer for the Jackson Pike Substation for the Division of Power. This will replace the current auto transformer that was manufactured in 1980 and is near the end of its life. It is the largest transformer in the Division's system and carries the largest portion of the Division's load, being the main supply of power to Jackson Pike and West Substations, and part of Furnace and sometimes Southerly Substations.

2. PROCUREMENT PROCESS: The Purchasing Office advertised and solicited competitive bids in accordance with the relevant provisions of City Code Chapter 329 relating to competitive bidding (RFQ007035). Sixty-two (62) bidders (1 HL1, 2 MBE, 2 MBR, 57 MAJ) were solicited and four (4 MAJ) bids were received and opened on November 9, 2017.

All four bids were deemed non-responsive for the following deficiencies:

Bidder-Apparent Bid Price-Bid Deficiencies

1. PTI Transformer - \$775,000

- A) The bidder included their own terms and conditions, which were in conflict with the City's terms and conditions.
- B) The proposed transformer would not fit in the substation space allotted.

2. Fortune Electric Co., Ltd. - \$1,541,870

- A) The bidder included their own terms and conditions, which were in conflict with the City's terms and conditions.
- B) The proposed transformer would not fit on existing concrete pad.

3. PEPCO - \$1,314,550

- A) The bidder omitted a required bid page that included pricing of travel and expenses.

4. VRT Power - \$920,414

- A) The bidder included their own terms and conditions, which were in conflict with the City's terms and conditions.
- B) The proposed transformer would not fit in the substation space allotted.

The Division attempted to negotiate the necessary revisions from the apparent low bidder, PTI Transformer, but they did not respond to the City's request to waive their terms and conditions or modify their transformer design. As such, PTI was again judged non-responsive.

The Division then tried to negotiate with the second lowest bidder, VRT Power Ltd. VRT agreed to accept the City's terms and conditions and hold their pricing for 60 days from the bid opening, and submitted a modified design that would allow the transformer to fit within the substation.

3. BID WAIVER INFORMATION: Due to the fact that all bidders were initially non-responsive, the Division of Power requests that the provisions of competitive bidding be waived per City Code Section 329 and the contract be awarded to VRT Power Ltd., under the agreed upon negotiations, in the amount of \$920,414.00.

4. SUPPLIER: VRT Power Ltd., DAX# #023721, CC# 520033549, expires 12/6/19, MAJ

VRT Power Ltd. is not debarred according to the Excluded Party Listing System of the Federal Government or prohibited from being awarded a contract according to the Auditor of State Unresolved Findings for Recovery Certified Search.

5. EMERGENCY DESIGNATION: It is requested that this Ordinance be handled in an emergency manner in order to meet the vendor's 60 day price hold.

6. FISCAL IMPACT: \$920,414.00 is required for this purchase. Funding will come from the Electricity G.O. Bonds Fund.

To authorize the Director of Finance and Management to establish a contract with VRT Power Ltd. for the purchase of an Auto Transformer for the Jackson Pike Substation for the Division of Power; to authorize an expenditure up to \$920,414.00 from the Electricity General Obligations Bond Fund; to waive the provisions City Code related to competitive bidding; and to declare an emergency. (\$920,414.00)

WHEREAS, the Purchasing Office opened formal bids on November 9, 2017 for an Auto Transformer for the Jackson Pike Substation for the Division of Power; and

WHEREAS, the four bids received were all deemed non-responsive for various reasons; and

WHEREAS, the lowest bidder, PTI Transformer did not respond to our attempt to negotiate the contract, however, the second lowest bidder, VRT Power Ltd., did respond to negotiations; and

WHEREAS, the Director of Public Utilities believes it is in the City's best interest to waive the provisions of City Code Chapter 329 related to competitive bidding, in order to contract with VRT Power Ltd.; and

WHEREAS, it is necessary to authorize an expenditure within the Electricity G.O. Bonds Fund, for the Division of Power; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Public Utilities, Division of Power, in that it is immediately necessary to authorize the Director of Finance and Management to enter into a contract with VRT Power Ltd. in accordance with the terms, conditions and specifications of Solicitation Number RFQ007035 on file in the Purchasing Office; in an emergency manner in order to meet the vendor's 60 day price hold; for the immediate preservation of public health, peace, property and safety; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of Finance and Management is hereby authorized to establish a contract for all items with VRT Power Ltd., 17 Haneviim St., Industrial Zone P.O.B. 1176 Ramat Ha'Sharon, 47111 Israel; for the purchase of an Auto Transformer for the Jackson Pike Substation for the Division of Power, in accordance with RFQ007035 specifications on file in the Purchasing Office.

SECTION 2. That this Council finds it in the best interest of the City of Columbus to waive the provisions of City Code Chapter 329 related to competitive bidding in order to contract with VRT Power Ltd. for an Auto Transformer for the Jackson Pike Substation, for the Division of Power, and such provisions are hereby waived.

SECTION 3. That the expenditure of \$920,414.00 or as much thereof as may be needed, is hereby authorized in Object Class 06 - Capital Outlay, per the accounting codes in the attachment to this ordinance.

SECTION 4. That the funds necessary to carry out the purpose of this Ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 5. That the City Auditor is hereby authorized and directed to transfer any unencumbered balance in the project account to the unallocated balance within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies no longer required for said project; except that no transfer shall be made from a project account by monies from more than one source.

SECTION 6. That the City Auditor is authorized to establish proper project accounting numbers as appropriate.

SECTION 7. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this Ordinance.

SECTION 8. That for reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.