



Yoder/Via

RESOLUTION NO. 6362

WHEREAS, OPPD issued Request for Proposal (RFP) No. 5675 to procure one (1) 69-13.8 kV 15/20/25 (28) MVA OLTC transformer for sparing needs; and

WHEREAS, bids were received and opened at the time and place mentioned in the published notices and the Director – Supply Chain Management supervised the tabulations, which have been submitted to this Board; and

WHEREAS, RFP No. 5675 provides an option for OPPD to renew the contract with the successful bidder for up to four (4) additional one (1) year terms based on the bidders' responses to escalation/de-escalation pricing provisions set forth in the RFP No. 5675 contract documents; and

WHEREAS, the proposal submitted by WEG Transformers USA was evaluated by Management as the lowest and best bid and provided an acceptable escalation/de-escalation formula based on identified indices to address changes in commodity and labor prices; and

WHEREAS, the Board of Directors has carefully considered the bids submitted, as well as the recommendations of the District's Management and General Counsel.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Omaha Public Power District that Management is hereby authorized and directed to accept the proposal of WEG Transformers USA for the purchase of 69-13.8 kV 15/20/25 (28) MVA OLTC transformer, as set forth in Request for Proposal No. 5675, and to enter into a contract with WEG Transformers USA for an initial term of one (1) year, with the option to renew for up to four (4) additional one (1) year contract terms, and the bond of such bidder hereby is approved.



Board Action

BOARD OF DIRECTORS

February 11, 2020

ITEM

Award 69-13.8kV 15/20/25 (28) MVA OLTC Transformer Contract

PURPOSE

Board of Directors authorization to award RFP No. 5675, a 69-13.8kV 15/20/25 (28) MVA OLTC Transformer Contract for the initial purchase of one transformer for sparing needs, with the option to renew at defined costs up to four (4) additional one (1) year terms to support future sparing needs, future load growth, and replacement projects.

FACTS

- a. The 69-13.8kV 15/20/25 (28) MVA OLTC Transformer Contract is required to supply a spare unit in support of existing transformers in the current fleet.
- b. Expenditure for one (1) transformer is \$645,700 with expected delivery in November 2020.
- c. Six proposals were received; four are legally and two technically responsive.
- d. WEG Transformers USA proposal was evaluated as the lowest and best bid.
- e. WEG Transformers USA provided acceptable provisions for the option to renew up to four (4) additional one (1) year terms with an acceptable escalation/de-escalation formula based on identified indices.

ACTION

Authorization by the Board to award WEG Transformers USA for initial one (1) year contract with the option to renew up to four (4) additional one (1) year terms based on the evaluation of RFP No. 5675 "69-13.8kV 15/20/25 (28) MVA OLTC Transformer" for the procurement of substation power transformers.

RECOMMENDED:



Troy R. Via

APPROVED FOR BOARD CONSIDERATION:



Timothy J. Burke

TRV:mre

Attachments: Analysis of Proposals
Tabulation of Bids
Legal Opinion
Resolution



MEMORANDUM

Date: January 27, 2020
 From: D. D. Buelt
 To: T. R. Via

RFP No. 5675
 “69-13.8kV 15/20/25(28) MVA OLTC TRANSFORMER”
Analysis of Proposals

1.00 GENERAL

RFP No. 5675 was advertised for bid on December 10, 2019.

RFP No. 5675 provides the opportunity to purchase 69-13.8kV power transformers for initial term of one (1) year with the option to renew up to four (4) additional one (1) year terms pursuant to the escalation/de-escalation provisions. OPPD will initially procure a quantity of one (1) 69-13.8kV power transformers to support current sparing needs.

One (1) 69-13.8kV power transformer will deliver to an existing OPPD facility with expected delivery in November 2020.

One Letter of Clarification and two addendums were issued.

Bids were requested and opened at 2:00 p.m., C.S.T., Thursday, January 9, 2020.

Six (6) total proposals were received. The proposals received are summarized in the table below:

Bidder	Lump Sum Firm Price	Legally Responsive	Technically Responsive
Pennsylvania Transformer Technology, Inc.	\$584,612	No	No
WEG Transformers USA	\$645,700	Yes	Yes
Howard Industries, Inc.	\$707,900	No	Not Evaluated ³
ABB Enterprise Software	\$798,340	Yes	Not Evaluated ³
SPX Transformer Solutions, Inc. – RMV SPX Transformer Solutions, Inc. – UZD	\$917,496 \$814,946	Yes	Not Evaluated ³
Delta Star, Inc.	\$854,987 ¹ \$838,030 ²	Yes	Yes

¹Lynchburg, VA Factory ²Quebec, ON Factory ³Insufficient Technical Data

2.00 COMPLIANCE WITH CONTRACT TERMS AND GENERAL REQUIREMENTS

The District's legal counsel noted that Pennsylvania Transformer Technology, Inc. took exception to the Contract Documents offered in the RFP materials and incorporated the Standard Terms and Conditions of Sale of the bidder, which materially increases the legal risks to the District. Pennsylvania Transformer Technology, Inc. stated its willingness to negotiate an agreeable set of terms and conditions, which is prohibited under sealed bidding statutes of the State of Nebraska. The proposal of Howard Industries, Inc. incorporated an existing contract between the bidder and the District to the exclusion of the Contract Documents offered in the RFP materials. Such exception materially increases the legal risks to be accepted by the District. Both proposals were noted as legally non-responsive and should not receive further consideration from the District.

The proposals of WEG Transformers USA, SPX Transformer Solutions, Inc, Delta Star, Inc., and ABB, Inc. each contained minor exceptions to the Districts terms requiring letters of clarification. The necessary Letters of Clarification were issued, and suppliers acknowledged compliance with the terms of the RFP.

Subject to the District's technical and economic evaluation and clarification of noted items, the proposals from WEG Transformers, SPX Transformer Solutions, Inc., Delta Star, Inc., and ABB, Inc. were legally responsive and may be considered by the District's Board of Directors for award of the contract. The bond of the successful bidder also must be approved by the Board.

3.00 COMPLIANCE WITH TECHNICAL REQUIREMENTS

The proposals provided by Pennsylvania Transformer Technology, Inc., and Howard Industries, Inc., were identified as legally non-responsive to the RFP No. 5675 contract documents were not evaluated technically or economically. The proposals provided by ABB, Inc. and SPX Transformer Solutions, Inc. provided insufficient technical data and were not evaluated technically.

The proposals received from WEG Transformers USA, and Delta Star, Inc. were deemed technically responsive.

4.00 RECOMMENDATION

On the basis of compliance with legal and technical requirements, cost evaluations performed, and guaranteed completion dates, it is recommended that RFP No. 5675 "69-13.8kV 15/20/25 (28) MVA OLTC TRANSFORMER" be awarded to WEG Transformers USA to purchase 69-13.8kV 15/20/25 (28) MVA OLTC transformers for the initial one (1) year contract term with the option to renew up to four (4) additional one (1) year terms pursuant to the RFP No. 5675 and the escalation/de-escalation provisions in WEG Transformers' proposal. The initial purchase of one (1) 69-13.8kV power transformers will support District sparing needs as well as the option for the District to purchase additional 69-13.8kV power transformers during the renewal term.



Dannie D. Buelt, P.E.
Director Engineering
Energy Delivery

TABULATION OF BIDS
 Opened at 2:00 p.m., C.S.T., Thursday,
 January 9, 2020, in Omaha, Nebraska

Anticipated Award Date
 February 13, 2020

ENGINEER'S ESTIMATE

\$675,000.00

REQUEST FOR PROPOSAL NO. 5675
69-13.8kV MVA OLTC POWER TRANSFORMERS

Page 1 of 2

Timothy D. McCreavey
 Director
 Supply Chain Management

Nicole Larson
 Compiled by and Certified Correct

BID ITEM

BIDDER'S NAME & ADDRESS

Pennsylvania Transformer
 Technology, Inc.
 30 Curry Avenue
 Canonsburg, PA 15317

WEG Transformers USA
 6349 Avantha Drive
 Washington, MO 63090

Howard Industries, Inc.
 PO Box 1588
 Laurel, MS 39440

SUPPLIER'S BID

SUPPLIER'S BID

SUPPLIER'S BID

1. Price Proposal:
 OPPD Site 1, 1101 North 180th Street, Omaha, NE
 68022

Base Price
 Delivery

2. Completion Guarantee(s):
 Item 1 - Site 1
 Desired Delivery Date: November 1, 2020

\$541,912.00
 \$42,700.00


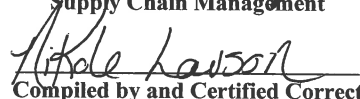
Guaranteed Completion Date
Shipment 36-40 Weeks ARO

\$626,700.00
 \$19,000.00

Guaranteed Completion Date
37-39 Weeks ARO

\$681,400.00
 \$26,500.00

Guaranteed Completion Date
November 1, 2020

TABULATION OF BIDS Opened at 2:00 p.m., C.S.T., Thursday, January 9, 2020, in Omaha, Nebraska	REQUEST FOR PROPOSAL NO. 5675 69-13.8kV MVA OLTC POWER TRANSFORMERS	 Director Supply Chain Management  Compiled by and Certified Correct
Anticipated Award Date February 13, 2020		
ENGINEER'S ESTIMATE \$675,000.00		

BID ITEM	BIDDER'S NAME & ADDRESS		
	ABB Enterprise Software 101 Kulhman Drive Crystal Springs, MS 39059	SPX Transformer Solutions 400 S. Prairie Avenue Waukesha, WI 53186	Delta Star, Inc. 3550 Mayflower Drive Lynchburg, VA 24501
	SUPPLIER'S BID	SUPPLIER'S BID	SUPPLIER'S BID
1. Price Proposal: OPPD Site 1, 1101 North 180th Street, Omaha, NE 68022 Base Price Delivery	<u>\$761,950.00</u> <u>\$36,390.00</u>	<u>\$794,046.00 (UZD)</u> <u>\$894,396.00 (RMV)</u> <u>\$20,900.00 (UZD)</u> <u>\$23,100.00 (RMV)</u>	<u>\$807,917.00</u> <u>\$854,987.00 from Lynchburg, VA</u> <u>\$838,030.00 from Quebec, ON</u>
2. Completion Guarantee(s): Item 1 - Site 1 Desired Delivery Date: November 1, 2020	<u>Guaranteed Completion Date</u> <u>28-30 Weeks ARO</u>	<u>Guaranteed Completion Date</u> <u>December 10, 2020</u>	<u>Guaranteed Completion Date</u> <u>No later than November 1, 2020</u> <u>30-36 Weeks ARO Lynchburg, VA</u> <u>28-32 Weeks ARO Quebec, ON</u>

FRASER STRYKER

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January 27, 2020

Omaha Public Power District
444 South 16th Street
Omaha, NE 68102

RE: Request for Proposal No. 5675 — 69-13.8kv MVA OLTC Power Transformers
("RFP No. 5675")

Ladies and Gentlemen:

We have reviewed the six (6) proposals received in response to RFP No. 5675 and provide the following opinion.

The proposal of Pennsylvania Transformer Technology, Inc. ("Pennsylvania") incorporates Standard Terms and Conditions of Sale of the bidder which would materially increase the legal risks to be accepted by the District. In the alternative, Pennsylvania states its willingness to negotiate an agreeable set of terms and conditions, which is prohibited under the sealed bidding statutes of the State of Nebraska. As a result, we believe this bidder's proposal is legally non-responsive and should not receive further consideration from the District.

The proposal of WEG Transformers USA ("WEG") states that it will remain valid until December 26, 2019. If this proposal is to receive further consideration, a letter of clarification acknowledging the validity of the proposal through the date desired by the District should be obtained from this bidder. In addition, WEG submitted certain commercial and technical clarifications that are subject to evaluation by the District.

The proposal of SPX Transformer Solutions, Inc. ("SPX") includes several commercial and legal exceptions, along with language stating SPX "reserves the right to review the final documents and Agreement that will govern the order prior to acceptance of a Purchase Order." In addition, the proposal states SPX "requests consideration and discussion on the following [exceptions]." If this proposal is to receive further consideration, a letter of clarification acknowledging that SPX will accept the Master Procurement Agreement included in the RFP documents with the inclusion of the exceptions expressly stated in SPX's proposal should be obtained from this bidder. In addition, SPX submitted certain commercial and technical clarifications that are subject to evaluation by the District.

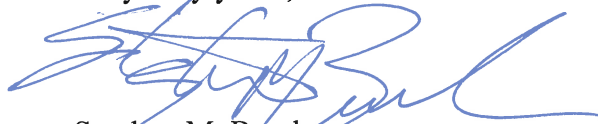
The proposal of Delta Star, Inc. ("Delta Star") takes exception to the District's standard delivery terms and states that delivery of the equipment will be "DDP Foundation". We recommend that the District request a letter of clarification from Delta Star clarifying this bidder's modified delivery term as referenced in their proposal. In the event that a satisfactory letter of clarification is received from this bidder, such bidder's commercial and technical clarifications should be evaluated by the District in its overall economic evaluation of the proposals received.

The proposal of ABB, Inc. ("ABB") includes redlined exceptions to the District's Master Procurement Agreement, as well as ABB's standard General Terms and Conditions of Sale. If this proposal is to receive further consideration, a letter of clarification should be obtained from this bidder acknowledging that ABB will execute the District's Master Procurement Agreement included in ABB's proposal as redlined by ABB, and withdraws the ABB General Terms and Conditions of Sale. In addition, ABB submitted certain commercial and technical clarifications that are subject to evaluation by the District.

The proposal of Howard Industries, Inc. incorporates an existing contract between the bidder and the District to the exclusion of the Contract Documents offered in the RFP materials. Such exception materially increases the legal risks to be accepted by the District. As a result, we believe this bidder's proposal is legally non-responsive and should not receive further consideration from the District.

Subject to the foregoing comments and the District's technical and economic evaluation, four (4) of the six proposals received in response to RFP No. 5675 may be considered by the District's Board of Directors for the award of this contract. The bond of the successful bidder also must be approved by the Board.

Very truly yours,



Stephen M. Bruckner
FOR THE FIRM

69-13.8 kV 28 MVA OLTC Power Transformer

Board of Directors Meeting February 2020

69-13.8 kV 28 MVA OLTC Power Transformer

