



SOUTHEAST ALASKA POWER AGENCY

Special Board Meeting AGENDA

SEAPA Offices | Ketchikan, Alaska

Thursday, March 27, 2014 | 4:00 p.m. AKDT

For Telephonic Participation: Dial 1-800-315-6338 (Access Code: 73272#)

1. Call to Order
 - A. Roll call

2. Approval of the Agenda

3. New Business
 - A. Consideration and approval of Contract for 2.5 and 5 MVAR Reactors for SEAPA's Wrangell Reactor Replacement Project

4. Adjourn

Southeast Alaska Power Agency

DATE: March 20, 2014
TO: Trey Acteson, CEO
FROM: Steve Henson, Operations Manager
RE Contract for 2.5 and 5 MVAR Reactors for SEAPA's Wrangell Reactor Replacement Project

During the March 3-4, 2014 board meeting, staff apprised the Board of the bids that were received for three 2.5 MVAR reactors for SEAPA's Wrangell Reactor Replacement Project. After discussion it was determined that staff should solicit the vendors for one 2.5 MVAR Reactor and one 5 MVAR Reactor because of additional costs that would be incurred for site placement of three 2.5 MVAR Reactors. Since the board meeting, staff solicited the vendors for a bid on a 5 MVAR Reactor and received the following results:

Vendor	Details	Total Cost
ABB Inc.	One 2.5 MVAR 3-phase oil-immersed Reactor (\$216,000) Shipping: \$26,000 FOB Wrangell ----- One 5 MVAR 3-phase oil-immersed Reactor (\$260,000) Shipping: \$30,000 FOB Wrangell	\$532,000
Niagara Transformer Corporation	¹ One 2,500 kVAr Mineral Oil 3-phase circular layer single winding Reactor (\$250,067) Shipping: \$12,000 FOB Wrangell ----- ² One 5,000 kVAr Mineral Oil 3-phase circular layer single-winding Reactor (\$367,073) Shipping: \$12,875 FOB Wrangell	\$624,015

Based on a cost differential of \$110,015 between bids, staff recommends that the contract be awarded to ABB Inc. as the low bidder. Also as explained at the last board meeting, the board approved a total of \$1,800,000 in the FY14 budget for the Wrangell Reactor Project, of which \$780,000 was estimated for three reactors.

Please consider the following suggested motion for award of the contract:

SUGGESTED MOTION

I move to authorize staff to award a purchase order contract to ABB Inc. for a lump-sum value of \$532,000 for one 2.5 MVAR and one 5 MVAR 3-Phase Oil-Immersed Shunt Reactor for SEAPA's Wrangell Reactor Replacement Project.

¹ 2,500 kVAr = 2.5 MVAR

² 5,000 kVAr = 5 MVAR