

Council Meeting Staff Report

January 4, 2022

Agenda No.:	D.
Indexes (Council Goals):	* 2021 Council Goal - Investing in Infrastructure, DPU FY26 - 1.0 Provide Safe and Reliable Utility Services
Presenters:	James Alarid
Legislative File:	AGR0811-21

Title

Approval of Services Agreement No. AGR 22-36 with Western United Electric Supply in the amount of \$432,587.00 for the Purpose of the El Vado Transformer and Field Services project

Recommended Action

I move that Council approve Services Agreement No. AGR 22-36 with Western United Electric Supply in the amount of \$432,587.00, and a contingency in the amount of \$40,000.00, for a total of \$472,587.00, plus applicable gross receipts tax, for the purpose of the El Vado Transformer and Field Services project.

Utilities Manager Recommendation

The Utilities Manager recommends approval of the motion as presented.

Board, Commission or Committee Recommendation

The Board of Public Utilities reviewed this request at their regular meeting of December 15, 2021 and unanimously recommends approval of the motion as presented.

Body

The existing transformer at the EL Vado Hydroelectric plant has been in service since 1987. The oil in the transformer is tested annually to monitor the health of the transformer. In recent years the oil test results are showing a trend of degradation of the transformer winding insulation. This contract is for the purchase of a new transformer, shipping to El Vado and manufacturer field services during the installation. The new transformer will be manufactured by Virginia Transformer Corporation. A separate contractor will be hired to install and connect the new transformer once received. The new transformer will be delivered in approximately 28 weeks and the installation will take place soon thereafter. The El Vado hydroelectric plant will begin an extended outage beginning in June 2022 while the dam is rehabilitated. DPU will take advantage of this outage to perform this project to avoid lost generation.

Alternatives

If the agreement is not approved staff will continue to budget for the transformer replacement and bid again due to consequences if the transformer were to fail.

Fiscal and Staff Impact

\$400,000 is budgeted in this fiscal year for the transformer replacement. The additional funding in excess of \$400,000 will come from budget savings resulting from deferring the El Vado Controls Upgrade project.

Attachments

A - AGR22-36

B - RFP22-36