

Council Meeting Staff Report

January 24, 2023

Agenda No.:	B.
Indexes (Council Goals):	* 2022 Council Goal - Investing in Infrastructure, DPU FY2022 - 1.0 Provide Safe and Reliable Utility Services
Presenters:	James Alarid
Legislative File:	AGR0908-23

Title

Approval of Services Agreement No. AGR 23-48 with Gardner Zemke Company for the Purpose of the El Vado Transformer Installation

Recommended Action

I move that Council approve Services Agreement No. AGR 23-48 with Gardner Zemke Company in the amount of \$386,351.00 and a contingency in the amount of \$60,000, for a total of \$446,351.00, plus applicable gross receipts tax, for the Purpose of the El Vado Transformer Installation.

Utilities Manager's Recommendation

The Utilities Manager recommends that Council approve the motion as presented

Board, Commission or Committee Recommendation

The BPU unanimously approved this request at their regular meeting on January 18, 2023 and recommends that Council approve the motion as presented.

Body

In early 2022 a new transformer was purchased for the El Vado Hydroelectric Plant. This agreement is for the services of a contractor to remove and dispose of the old transformer and installation of the new transformer. The new transformer has been manufactured and will arrive onsite in March 2023. Gardner Zemke will then begin the work to install the new transformer. In addition, the onsite steel transmission line structure will be repainted and the associated aerial switch will be serviced while the plant is powered down to install the new transformer. Gardner Zemke is currently installing a new transformer at the Abiquiu hydroelectric plant for DPU. The existing transformer at the El Vado Hydroelectric plant has been in service 36 years and is tested annually. In recent years the test results have been showing a worsening trend of deterioration of the transformer internal windings. Replacement of the transformer has been planned now during the plant outage as the Dam is being restored and will eliminate the risk of catastrophic failure which would shut the plant down, and lost generation, for over a year.

Alternatives

If the agreement is not approved staff will re-budget the project and continuing to pursue installing the new transformer. Costs will be incurred to store the new transformer and the manufacturer's warranty will expire.

Fiscal and Staff Impact

The project will be funded from approved capital budget from the following projects, which will be deferred until next fiscal year; Abiquiu office building, communication upgrades and Abiquiu concrete deck expansion.

Attachments

A - AGR23-48 Gardner Zemke