

COUNCIL ACTION FORM

SUBJECT: ELECTRIC SERVICES UNDERGROUND TRENCHING CONTRACT

BACKGROUND:

On February 14, 2012, City Council approved preliminary plans and specifications for the Electric Services Underground Trenching Contract. This contract consists of a contractor furnishing all equipment, tools, labor, and materials not supplied by Electric Services for excavating, trenching, directional-boring and backfilling for installation of conduits, ground sleeves, box pads, vaults, handholes, and other appurtenances. This consists of emergency service, as well as regularly planned repairs and services.

This contract is to provide underground trenching services for the period from late April 2012 (or after final City Council approval of contract and performance bond) through December 31, 2012. This will enable this and future renewals to coincide with the calendar year. The contract includes a provision that would allow the City to renew the contract for up to four additional one-year terms.

Bid documents were issued to thirteen potential bidders. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published in the Ames Tribune. The bid was also sent to one plan room.

On March 14, 2012, two bids were received as demonstrated on the attached report. Electric Services staff reviewed the bids and determined that based on the summation of all the typical services, the bid submitted by Ames Trenching & Excavating, Ames, IA is the lowest bid.

Council should note that the bidding document included a provision that *“this contract may be awarded to multiple contractors. The primary contractor will be given a majority of the available work. Should the primary contractor be unable to meet an individual project’s completion schedule as established by the Owner, the individual project may be issued to a back-up contractor to complete.”*

As a result, staff determined that it would be in the utility’s best interest to award 90% or \$175,500 of the budgeted dollar amount of \$195,000 to Ames Trenching & Excavating, and to designate that firm as the primary contractor for these services. The balance of 10% or \$19,500 of the budgeted dollar amount of \$195,000 would be awarded to Dig America, Inc., St. Cloud, MN, and that firm would be designated as the back-up contractor. The back-up contractor will only be utilized if the primary is busy and cannot meet a required project deadline.

The approved FY 2011/12 operating budget for Underground System Improvements includes \$195,000; and trenching and excavation services are included in this account. The trenching and excavation services covered by this contract would also be used for the relocation of Electric Services facilities to clear sites for Public Works roadway improvement projects. Funds have been designated in various CIP projects for those relocation activities.

ALTERNATIVES:

1. a. Award the **primary contract** for the 2012 Underground Trenching Contract for Electric Services to Ames Trenching & Excavating, Ames, IA, for hourly rates and unit prices bid, in an amount not-to-exceed \$175,500.
- b. Award the **back-up contract** for the 2012 Underground Trenching Contract for Electric Services to Dig America, Inc., St. Cloud, MN, for hourly rates and unit prices bid, in an amount not-to-exceed \$19,500.

Each contract includes a provision that would allow the City to renew the contract for up to four additional one-year terms at stated rates.

2. Reject all bids and purchase underground trenching services on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

These services are necessary to provide trenching and excavation for new construction, maintenance, and emergency repair activities for Electric Services. This contract would establish rates for service and provide for guaranteed availability, thereby setting in place known rates for service and helping to control costs.

Having two contractors under bid allows the City to assign work to the secondary contractor if the primary contractor is busy and is unable to meet required project deadlines. This should reduce delays to project schedules.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as stated above.