

COUNCIL ACTION FORM

**SUBJECT: MID-AMERICAN ENERGY COMPANY INTERCONNECTION 161KV
LINE CONSTRUCTION**

BACKGROUND:

On March 27, 2012, City Council approved preliminary plans and specifications for MEC Interconnection 161 kV Line Construction. This project is to construct a 161kV line from Ames' Plant Substation to Mid-American Energy Company's (MEC) 161kV switching station northeast of Ankeny. This project is the final phase of a 5 phase project to increase electric delivery into the City and provide reliable electric service to the customers of Ames under many different outage scenarios. This will complete a multi-year project started in FY 2003/04.

Bid documents were issued to thirty-nine 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 two plan rooms.

On July 11, 2012, five bids were received as shown below:

BIDDER	BID PRICE
Hooper Corporation Madison, WI	\$9,054,395.90
Probst Electric Heber, UT	\$9,252,866.30
PAR Electrical Contractors, Inc. Kansas City, MO	\$9,535,387.08
Michels Power Neenah, WI	\$10,968,925.55
Timberline Construction, Inc. Rapid City, SD	\$10,982,851.18
Engineer's Estimate	\$8,300,000.00
Project Budget	\$9,010,000.00

Electric Services staff reviewed the bids and determined that they need additional time to evaluate each bid and recommend an award that best meets the needs of the City of Ames.

Meanwhile, a final decision by the Iowa Utilities Board (IUB) is still pending. By reporting bids and delaying award, staff affords the Iowa Utilities Board more time to issue the necessary franchise prior to making the award of this contract. Currently the IUB is allowing additional briefs to be submitted for its consideration through August 10, 2012.

ALTERNATIVES:

1. Accept the report of bids and delay award for the MEC Interconnection 161 kV Line Construction.
2. Award a contract to the apparent low bid.
3. Reject all bids and direct staff to rebid.

MANAGER'S RECOMMENDED ACTION:

This project is the last and most important piece of a 5 phase project to add redundancy to our electric delivery system. It will help improve the reliability of electric service to our customers under a wide range of system contingencies. By choosing alternative No. 1, staff will have enough time to evaluate each bid and recommend an award that best meets the needs of the City of Ames. In addition, staff is hopeful that the IUB will have issued the necessary franchise prior to this award. **Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.**