

COUNCIL ACTION FORM

SUBJECT: COMPLETION OF VET MED SUBSTATION CAPACITOR BANKS

BACKGROUND

On December 20, 2011, City Council approved preliminary plans and specifications for the Vet Med Substation Capacitor Banks equipment bid. This portion of the project is for the purchase of two capacitor banks for the Vet Med Substation. A budget of \$350,000 was included in the 2010/11 Capital Improvements Plan (CIP) for the Vet Med Substation Voltage support project. The Engineer's estimated cost for the total purchase price of the capacitor banks was \$250,000.

Bids were received on January 11, 2012, and it was determined that the low bid submitted by Controllix Corporation was acceptable. The contract awarded by Council on January 24, 2012, was in the amount of \$218,379.00, plus applicable sales taxes to be paid directly by the City to the State of Iowa.

Controllix Corporation has now delivered the capacitor banks and the Project Engineer has provided a certificate of completion. The total contract amount is \$232,782.06. This amount is inclusive of the applicable sales tax in the amount of \$14,403.06 paid directly by the City to the State.

Installation of the capacitors will be completed by City of Ames employees. Work has begun and is expected to be completed by the end of the year.

ALTERNATIVES:

- 1) Accept completion of the contract for the Vet Med Substation Capacitor Banks with Controllix Corporation, at a total cost of \$232,782.06, and authorize final payment to the contractor.
- 2) Delay acceptance of this portion of the project.

MANAGER'S RECOMMENDED ACTION:

The contractor for the capacitor banks has delivered all of the materials specified under this contract. The Project Engineer has issued a certificate of completion on the work, and the City is legally required to make final payment.

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