

**COUNCIL ACTION FORM**

**SUBJECT: CONTROLS AND RELAYING PANELS FOR 69KV SUBSTATIONS – DAYTON AND STANGE ELECTRIC SUBSTATIONS**

**BACKGROUND:**

On October 28, 2014, City Council approved preliminary plans and specifications for the Controls and Relaying Panels for Dayton and Stange Substations.

Bid documents were issued to seventeen 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. It was also sent to one planroom.

On November 26, 2014, four bids were received as shown below:

BIDDER	DAYTON	STANGE	TOTAL
Energis High Voltage Resources, Inc Green Bay, WI	\$162,359.00	\$202,557.00	\$364,916.00
Saginaw Power & Automation Saginaw, MN	\$240,061.00	\$265,189.00	\$505,250.00
RSI Global, Inc Harvey, LA	<b>Non-responsive</b>		
Electrical Power Products, Inc Des Moines, IA	<b>Non-responsive</b>		

Electric Services staff reviewed the bids along with an engineer from Black & Veatch Corporation. After the initial evaluation, they determined that the bids submitted by RSI Global, Inc. and Electrical Power Products, Inc. were both non-responsive. RSI Global, Inc.'s bid was non-responsive because they took multiple exceptions to the following critical portions of the bid: 1) testing and commissioning; 2) installation; and 3) debris removal and equipment offloading. Electrical Power Products, Inc.'s bid was non-responsive because they did not sign their bid, which is a mandatory requirement.

**Staff and Black & Veatch evaluated the remaining two bids and determined that the lowest responsive bid in the amount of \$364,916.00 submitted by Energis High Voltage Resources, Inc. was technically compliant. However, their bid was 31% more than the Engineer's cost estimate of \$279,000. Therefore, staff has concluded that it would be in the City's best interest to reject all bids received and rebid in order to attempt to obtain competitive bids that are more in alignment with the cost estimate. Additionally, the Engineer from Black & Veatch**

has expressed that his “professional opinion that more cost effective proposals would be received if a re-bid occurred”.

The approved FY2013/14 CIP for Electric Services includes \$1,700,000 for engineering, materials, and replacement of the Ames Plant Switchyard Relays and Controls which includes these breakers.

To date, the overall project budget has the following items encumbered:

<b>\$1,700,000.00</b>	<b>Amount Budgeted for the Total Project</b>
\$162,200.00	Encumbered Engineering for Ames Plant Switchyard (includes change orders 1 and 2)
\$56,377.35	Actual cost for SF6 circuit breakers
\$122,502.60*	Actual cost for electrical materials (*This amount includes applicable sales taxes to be paid directly by Ames to the State of Iowa)
\$198,469.55	Actual cost for Ames Plant Substation control panels.
\$397,069.40	Actual cost for materials installation phase for the Ames Plant Switchyard Project (includes change order 1 & 2)
\$98,755.20	Actual cost for Control Panels for Haber Road Substation (includes change order 1)
\$160,435	Actual cost of Ames Plant area commissioning
\$123,688.30	Encumbered Engineering for Dayton Avenue and Stange Road Substation Relay and Control Panels (includes change order 1 and 2)
<b><u>\$1,319,497.40</u></b>	<b>Total committed to Date</b>
<b>\$279,000.00</b>	<b>Estimated cost for Controls and Relaying Panels for the Dayton and Stange Substations (pending Council approval of award for this agenda item)</b>
\$101, 502.60	Amount available to complete project. (There is no other known material or construction work to be contracted for on this project.)

**ALTERNATIVES:**

1. a. Accept the report of bids.
  - b. Reject all bids and direct staff to rebid the project.
  - c. Approve the updated preliminary plans and specifications for reissuance of the Controls and Relaying Panels for Dayton and Stange Substations and set January 15, 2015, as the bid due date and January 27, 2015, as the date of hearing and award of contract.
2. Award a contract to Energis High Voltage Resources, Inc., Green Bay, WI for the Controls and Relaying Panels for Dayton and Stange Substations in the amount of \$364,916 (inclusive of Iowa sales tax).
3. a. Do not direct staff to rebid.
  - b. Do not award project.

**MANAGER'S RECOMMENDED ACTION:**

By choosing Alternative 1, staff and its contracted engineer believe it would be in the City's best interest to reject all bids received and rebid in order to attempt to obtain competitive bids that are more in alignment with the cost estimate.

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