

**COUNCIL ACTION FORM**

**SUBJECT: UNDERGROUND TRENCHING CONTRACT FOR ELECTRIC SERVICES**

**BACKGROUND:**

On January 22, 2013, City Council approved preliminary plans and specifications for Underground Trenching Contract for Electric Services. The scope of work 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. The work also includes the necessary clearing, sheeting and shoring, boring and jacking, dewatering, pipe embedment, and other appurtenant work. Trenching and excavation services can be required as part of new construction or maintenance projects. These services are occasionally needed during off hours as part of emergency repairs.

On February 26, 2013, City Council awarded the **primary contract** in the not-to-exceed amount of \$136,500 to Ames Trenching & Excavating and the **secondary contract** in the not-to-exceed amount of \$58,500 to Communication Technologies to provide underground trenching services for Electric Services. The amount budgeted for this contract was \$195,000. The contracts included a provision that would allow the City to renew the contracts for up to four additional one-year terms at stated rates. On January 14, 2014, City Council approved the contract renewal with each contractor for calendar year 2014.

All of the work included in these contracts has been completed and the Electrical Engineer has provided a certificate of completion. The total contract amount for work performed for 2014 was \$162,776.42 for Ames Trenching and \$10,717.26 for Communication Technologies. Council should note that the contract amount to Ames Trenching includes one contract change order in the amount of \$27,300 which was for additional funds needed to finish out the year.

**Electric Services staff recommends that the existing contracts not be renewed, but that this work be rebid. This would allow revisions to be made to the specifications, an additional bid item to be added, with a goal to obtain more competitive bids.**

These revisions to the bid documents have now been made. This contract rebid is for award of bid through June 30, 2015, so that all future renewals will coincide with the City budget cycle. This contract also includes a provision that would allow the City to renew the contract for up to four additional one-year terms at stated rates.

The total amount to be awarded for this contract will be a time and materials cost not to exceed \$150,000. The approved FY 2014/15 operating budget for outside services contains \$108,000 unencumbered. Additional funds, if required, are available from the underground materials budget. 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. Accept completion of the **primary contract** for the 2014 Underground Trenching Contract for Electric Services with Ames Trenching & Excavating, at a total cost of \$162,776.42.
  - b. Accept completion of the **secondary contract** for the 2014 Underground Trenching Contract for Electric Services with Communication Technologies, at a total cost of \$10,717.26.
  - c. Approve preliminary plans and specifications for the rebid of the Underground Trenching Contract for Electric Services, and set February 12, 2015, as the bid due date and February 24, 2015, as the date of public hearing and award of contract.
- 2) a. Delay acceptance of these contracts.
  - b. Do not approve plans and specifications for 2015 at this time and purchase these services on an as-needed basis.

**MANAGER'S RECOMMENDED ACTION:**

The contractors for the Underground Trenching Contract have completed all of the work for calendar year 2014. The Electrical Engineer has issued certificates of completion on the work for each contractor.

Moving forward, these services should be rebid for future projects. These services provide trenching and excavation for new construction, maintenance, and emergency repair activities of the Electric Services Department. The annual renewable contracting process reduces the City's exposure to market forces regarding prices and availability for labor, equipment, travel, and supplies for these services. Additionally, City staff has saved a considerable amount time obtaining quotes, evaluating bids and awarding the services.

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