

**COUNCIL ACTION FORM**

**SUBJECT: CONTRACT ACCEPTANCE FOR 15kV SWITCHGEAR AND 69 kV CONTROL PANELS – AMES PLANT DISTRIBUTION SUBSTATION**

**BACKGROUND**

On January 28, 2014, City Council approved preliminary plans and specifications for furnishing 15kV Outdoor Metalclad Switchgear and 69kV Control Panels for the Ames Plant Distribution Substation project. A budget of \$1,160,000 was included in the 2013/14 CIP for the entire project. This specific phase of the project was for the purchase of the switchgear and control panels. The engineer’s original estimated cost for this material was \$425,000.

On March 12, 2014, six bids were received. Staff and an engineer from Dewild Grant Reckert & Associates (DGR) determined that the low bid submitted by Central Electric Manufacturing Company, DBA: AZZ Switchgear Systems was acceptable. The amount of the contract as awarded on March 25, 2014, was \$509,831.13 (inclusive of Iowa sales tax).

The material in the contract has now been delivered, and the project engineer has provided a certificate of completion, and the total amount payable is \$509,831.13. An overall project budget is shown below:

<b>\$1,160,000.00</b>	<b>Amount Budgeted for Project</b>
\$210,000.00	Encumbered Engineering for Ames Plant Distribution Substation
\$112,754.50	Actual cost for SF6 circuit breakers.
\$9,466.00*	Actual cost for electrical materials. *This amount includes applicable sales taxes to be paid directly by the City to the State of Iowa.
\$260,012.56	Actual cost for materials installation phase for the Ames Plant Distribution Substation Project (Includes change order 1)
<b>\$509,831.13</b>	<b>Actual cost for the purchase of the 15kV Outdoor Metalclad Switchgear and 69kV Controls Panels – this agenda item</b>
<b><u>\$1,102,064.17</u></b>	<b>Total estimated costs</b>
\$57,935.81	Remaining Balance After Project Completion

**ALTERNATIVES:**

1. Accept completion of the contract for furnishing the 15kV Outdoor Metalclad Switchgear and 69kV Controls Panels for Ames Plant Distribution Substation with Central Electric Manufacturing Company, DBA: AZZ Switchgear Systems at a total cost of \$509,831.13, and authorize final payment to the contractor.
2. Delay acceptance of this project.

**MANAGER'S RECOMMENDED ACTION:**

The contractor has delivered all of the material specified under the contract, 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.