

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACTS FOR (1) 69KV SF6 CIRCUIT BREAKERS AND 13.8KV CAPACITOR BANK FOR TOP-O-HOLLOW SUBSTATION EXPANSION AND (2) ROUTINE BREAKER REPLACEMENTS

BACKGROUND:

On February 27, 2018, City Council approved preliminary plans and specifications for furnishing (1) two 69kV circuit breakers and capacitor bank for Top-O-Hollow Substation, and (2) two additional circuit breakers

Bid documents were issued to twenty-seven companies. 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 four plan rooms.

On March 28, 2018, seven bids were received as shown on the attached report. Electric Services staff reviewed the bids and concluded that each of the low bids is acceptable. The recommended awards are as follows:

- Bid No. 1 69kV SF6 Circuit Breakers – Siemens Industry, Inc, Richland, MS for \$150,442.00 (inclusive of Iowa sales tax).
- Bid No. 2 13.8kV Capacitor Bank – Controllix Corporation, Walton Hills, OH for \$98,105.00, plus applicable sales taxes (in the amount of \$6,643.35) to be paid directly by the City of Ames to the State of Iowa.

The Engineer's estimated cost of this equipment is \$296,000. This includes \$196,000 for the Top-O-Hollow Substation 69kV Breakers and Capacitor Bank for the CIP project, as well as \$100,000 for 69kV routine breaker replacements within the operating budget. Bidding these routine replacements along with the CIP project will allow the City to receive better pricing.

The approved FY 2017/18 CIP for Electric Services includes \$1,950,000 for construction under the Top-O-Hollow Substation Expansion and Breaker Addition project, which will cover the two kV breakers and the capacitor bank for that project. Iowa State University will also provide funding for this project. ISU's share of the project is based on a load-ratio-share of the 69kV portion of this project at the time of implementation. For budgetary purposes, staff is assuming the ISU load ratio share to be 7% of the total project cost.

Originally this project was budgeted to provide overhead transmission lines from the substation. After review of the location, discussions with neighboring residents, and

considering the advantages for increased reliability, staff determined that the lines leaving the substation should be installed underground. Underground lines allow the substation design to be more compact and eliminate the need to build a storm water retention pond on the site.

To cover the revised engineer's estimate including underground lines, the following unspent funds from three other current or recent CIP projects have been moved to this project: \$800,000 from Transmission Reconstruction, \$332,652 from 69kV Switchyard Relay, and \$271,843 from Street Lights, for a total of \$1,404,495. These funding transfers are being included in the FY 2017/18 final amendments which will be presented to Council in May. A table showing the current budget together with expenditures is included at the end of this Council Action Form.

The approved FY 2018/19 Operating Budget includes \$150,000 to purchase the two 69kV routine-replacement breakers.

ALTERNATIVES:

1. a. Award a contract to Siemens Industry, Inc, Richland, MS, for Bid No. 1, Furnishing 69kV SF6 Circuit Breakers in the amount of \$150,442.00 (inclusive of Iowa sales tax).
- b. Award a contract to Controllix Corporation, Walton Hills, OH, for Bid No. 2, Furnishing 13.8kV Capacitor Bank in the amount of \$98,105.00, plus applicable sales taxes (in the amount of \$6,643.35) to be paid directly by the City of Ames to the State of Iowa.
2. Reject all bids and delay the purchase.

CITY MANAGER'S RECOMMENDED ACTION:

This equipment is necessary to complete the planned upgrade of the Top-O-Hollow substation will allow Electric Services to continue providing safe, reliable service to customers in the City.

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

To date the Top-O-Hollow CIP project budget has the following items encumbered:

\$1,950,000	FY 2017/18 CIP amount budgeted for construction
<u>\$1,404,495</u>	Additional funds transferred from budgeted CIP funds for 69kV Transmission Reconstruction (\$800,000), Street Light (\$271,843) and 69kV Switchyard Relay & Controls (\$332,652)
\$3,354,495	
	<u>H K Scholz</u>
\$599,231	Actual cost for switchgear and control panels
	<u>RESCO</u>
\$35,755.07	69kV Switches
\$27,895.27	Instrument Transformers
\$6,530.58	69kV Switches
	<u>Kriz-Davis Co. – BSE</u>
\$42,003.18	Steel Structures
	<u>Siemens Industry, Inc</u>
\$150,442	(2) 69kV Breakers (pending Council approval of award for this agenda item)
	<u>Controllix Corporation</u>
\$104,748.35	(1) 13.8kV Cap Bank (pending Council approval of award for this agenda item)
	<u>To Be Determined</u>
<u>\$1,620,000</u>	*Estimated cost for construction (on this current Council agenda for approval of Plans & specs)
\$2,586,605.45	Costs committed to date for project
\$767,890	Remaining Project Balance for the CIP Project.