

**COUNCIL ACTION FORM**

**SUBJECT: AWARD OF CONTRACT FOR ELECTRIC SERVICES' POWER LINE RELOCATION PROJECT – BOONE COUNTY RD. E-26**

**BACKGROUND:**

Boone County is widening a four-mile-long section of County Road E-26 in Boone County. Ames Electric Services owns and maintains power poles along the eastern 1/2-mile of this project. These poles are part of the 161kV tie line between Ames and CIPCO, as well as providing distribution facilities for other utilities. Electric Services has been directed by Boone County to relocate our poles to clear for the road project.

The poles owned by Ames are located on private property in an easement. **Boone County will reimburse Ames for the pole relocation. In addition, Boone County has obtained the new easements to replace the current ones. The award of contract is being delayed pending the successful start-up of Unit No. 7.**

Earlier this year bids were taken for this project, but power supply concerns related to Unit 7 led the Council to not award the contract. On November 7, 2007, bids were again received for the work as shown in the table below.

<b>BIDDERS</b>	<b>TRANSMISSION</b>	<b>DISTRIBUTION</b>	<b>TOTAL</b>
Michels Power Neenah, WI	\$106,800.12	\$48,173.93	\$154,974.05
Aerial Contractors, Inc. Moorhead, MN	\$145,657.07	\$31,670.93	\$177,328.00
Tiedes Line Construction, Inc. Haysville, KS	\$154,974.05	\$177,328.00	\$391,602.00

The consulting engineer from P&E Engineering has evaluated the bids in conjunction with staff and determined that the lowest bid, submitted by Michels Power, Neenah, WI, is acceptable. The original estimate for this portion of the project was \$145,000.00. The low bid from Michels Power is over the estimated amount. However, based on the amounts of the other bids received, the consulting engineer has determined this to be a fair market price for the work.

With Unit 7 back on-line and with Electric Services having reliable primary and back-up sources of energy, it is now appropriate to award this contract and have this tie line temporarily taken out of service during the relocation. This work will be charged to the Overhead Transmission Line Relocation account until being reimbursed by Boone County.

**ALTERNATIVES:**

1. Award a contract for the Electric Services Department Power Line Relocation Project – Boone County Rd. E-26 to Michels Power, Inc., Neenah, WI, in the amount of \$154,974.05. The City will pay applicable taxes directly to the State of Iowa.
2. Reject all bids and delay the Electric Services Department Power Line Relocation Project – Boone County Rd. E-26

**MANAGER'S RECOMMENDED ACTION:**

Boone County has been waiting patiently for the City to award this contract. Relocation of the transmission line will enable Boone County to complete the widening of E-26. Since Unit #7 is back on line, it is now possible to proceed with this project while guaranteeing a back-up power supply source for our electric customers. With regard to the financial impacts to our utility, Boone County has provided all necessary easements and will reimburse the City for the costs of the relocation.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, awarding a contract for the Electric Services Department Power Line Relocation Project – Boone County Rd. E-26 to Michels Power, Inc., Neenah, WI, in the amount of \$154,974.05. The City will pay applicable taxes directly to the State of Iowa.