

COUNCIL ACTION FORM

**SUBJECT: PROFESSIONAL SERVICES CONTRACT FOR ELECTRIC
TRANSMISSION LINE ROUTING SELECTION STUDY**

BACKGROUND:

The FY 2008/2009 Capital Improvements Plan includes a project to install a 161-kV interconnection with MidAmerican Energy Company. In order to improve electric service reliability for our customers, there is the need for an additional transmission line to connect to the regional electric transmission grid. Following years of system impact studies, a route study, and substation and transmission line design work, the City determined that the best route for an additional transmission line extends from Ames to Ankeny. This project has been underway since 2004.

On July 2, 2008, the Iowa Utilities Board issued its final ruling, effectively denying the City's petition for a franchise to construct its 161kV transmission line outside the City limits to NE Ankeny. In its final decision, the IUB acknowledges the need for the line and does not contest the route specifically, but rather takes issue with evidence of compliance with Code requirements as the basis for the initial route planning. On August 7, 2008, proposals were solicited for professional services to conduct a routing selection study conforming to Iowa Code and franchising requirements. On August 21, 2008 three proposals were received, as follows:

Dewild Grant Reckert and Associates Company (aka DGR), Rock Rapids, Iowa
Proposal total \$60,000

Burns & McDonnell, Kansas City, Missouri
Proposal total \$117,250

EDAW, Inc., Denver, Colorado
Proposal total \$141,225.

The proposals from Burns & McDonnell and EDAW were the most complete and responsive. The proposal from DGR did not include the public presentation support which the other two bidders did include, and which staff feels is necessary. The Burns and McDonnell proposal included nearly \$19,000 for this work, with EDAW being even higher for this component. These two companies also offer staff depth, with qualified personnel that specialize in routing selection, environmental services and right of way acquisition. In contrast, DGR utilizes multi-disciplinary staff that does not specialize in this area and may not offer the same independent approach as the other two companies. DGR has performed the transmission line design work for this transmission line. Considering proposal responsiveness, cost, proposed schedule, successful routing experience specific to Iowa transmission line franchising, in-house staffing resources to address related environmental or right of way issues, references, and the

need for an independent routing selection study, staff has determined that the Burns & McDonnell proposal is in the best overall interest of the Utility.

ALTERNATIVES:

1. Award a professional services contract to perform a routing selection study to Burns & McDonnell, Kansas City, Missouri, in the amount of \$117,250.
2. Award a professional services contract to perform a routing selection study to Dewild Grant Reckert and Associates Company (aka DGR), Rock Rapids, Iowa, in the amount of \$60,000.
3. Reject all proposals and delay the 161-kV tie line project.

MANAGER'S RECOMMENDED ACTION:

It is in the City's best interest and in the best interest of our electric customers to keep this Interconnection project moving forward as quickly as possible. Customer reliability is in danger of being compromised by the limitations in import being placed on our current 69-kV southbound interconnection. Estimated completion time for this study is four months from award (January of 2009).

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, awarding a professional services contract to perform a routing selection study to Burns & McDonnell, Kansas City, Missouri, in the amount of \$117,250.