

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACT FOR STANGE ROAD SUBSTATION TO AMES POWER PLANT 161/69 KV TRANSMISSION LINE CONSTRUCTION

BACKGROUND:

This project is for the construction of a 161 kV transmission line from the Stange Road substation to the Ames Power Plant substation. The proposed contract is a continuation of the interconnection project started in FY 2003/2004. Currently, Ames' 161kV interconnection to Central Iowa Power Cooperative (CIPCO) is provided through a single 161/69kV transformer located at the Stange Road 161/69kV substation. This transformer converts the 161kV interconnection source to the 69kV transmission voltage that is utilized by all of the Ames electric system, including the switchyard that connects to Ames Power Plant. By constructing this section of transmission line, Ames will be able to utilize the existing Ames Plant 161kV/69kV transformer as an alternate path to the CIPCO 161kV interconnection, should either transformer fail or need to be removed from service for inspection or maintenance purposes.

This work was originally bid in July 2006. Three bids were received at that time, the lowest of which (\$3,540,163.60) was subject to adjustment based on metals prices. It was determined that market conditions at that time were reflected in the responses, causing dramatic increases in both labor and materials prices. Bids were rejected and the project delayed on August 22, 2006.

In November, 2008, the Engineer's updated estimate for the proposed project was \$4,200,000. Funding is available as follows:

Approved FY 2008/2009 CIP for interconnection project	\$4,900,000
Funds carried over from the approved FY 2007/2008 CIP	<u>851,899</u>
Total	\$5,751,899

On December 10, 2008, five bids were received as shown on the attached report. The consulting engineer from DeWild Grant Reckert and Associates Company (DGR), in consultation with the Director of Electric Services and the Electrical Engineering Manager, has recommended that the low bid be awarded.

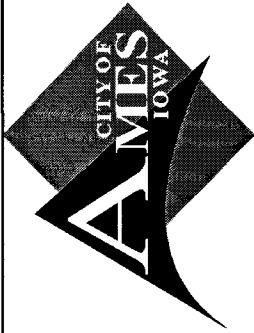
ALTERNATIVES:

1. Approve the final plans and specifications for Stange Road Substation to Ames Power Plant 161/69 kV Transmission Line Construction and award a contract to the low bidder, Hooper Corporation of Madison, Wisconsin, in the amount of \$3,485,486.96.
2. Reject all bids and delay construction of the Stange Road Substation to Ames Power Plant 161 kV transmission line.

MANAGER'S RECOMMENDED ACTION:

Construction of the transmission line from the Stange Road substation to the Ames Power Plant substation will enable utilization of the existing Ames Plant 161kV/69kV transformer as an alternate path to the CIPCO 161kV interconnection.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the final plans and specifications for Stange Road Substation to Ames Power Plant 161/69 kV Transmission Line Construction and award a contract to the low bidder, Hooper Corporation of Madison, Wisconsin, in the amount of \$3,485,486.96.



**INVITATION TO BID NO. 2009-072
161 kV TRANSMISSION LINE CONSTRUCTION**

BIDDER	BID DEPOSIT	Addenda No. 1 Acknowledged	TOTAL BID PRICE
Hooper Corporation Madison, Wisconsin	Bid bond 5%	Yes	\$ 3,485,486.96
PAR Electric Contractors Kansas City, Missouri	Bid bond 5%	Yes	\$ 3,943,604.44
Capital Electric Line Builders Kansas City, Missouri	Bid bond 5%	Yes	\$ 4,156,100.00
Michels Power, Division of Michels Corp. Neenah, Wisconsin	Bid bond 5%	Yes	\$ 4,263,246.04
Hutton Contracting Co., Inc. Hindsvill, Arkansas	Bid bond 5%	Yes	\$ 6,479,962.30