

COUNCIL ACTION FORM

**SUBJECT: PARTIAL ACCEPTANCE OF COMPLETION AND RELEASE OF
RETAINED FUNDS FOR IOWA STATE UNIVERSITY VET MED
SUBSTATION POWER TRANSFORMERS**

BACKGROUND

On June 8, 2010, City Council approved preliminary plans and specifications for Vet Med Substation Power Transformers. The complete project is the expansion of the Veterinary Medicine Electrical Substation which is needed to accommodate Iowa State University's Veterinary Medicine Campus load additions, football stadium load additions, and Ames' load additions south of Highway 30 and along South 16th Street in the vicinity of the Vet Med Substation.

This portion of the project was for the purchase of two transformers. A budget of \$4,000,000 is included in the 2010/11 Capital Improvements Plan (CIP) for the entire project. **The Engineer's estimated cost for these transformers was \$1,250,000.**

On June 30, 2010, five bids were received and evaluated by Electric Services staff and an engineer from Dewild Grant Reckert & Associates (DGR) Company, who both concluded that the lowest qualified bid in the amount of \$994,652, submitted by Delta Star, Inc., Lynchburg, VA, was acceptable.

Delta Star, Inc. has delivered one of the two transformers. That delivered transformer has been installed and energized successfully. Due to the installation schedule, the City will not be installing and energizing the second transformer until May. As a result, Delta Star, Inc. has agreed to not deliver the second transformer until the City needs it for the installation.

Delta Star, Inc. has requested release of the 5% retainage on the transformer that has been delivered. The retained amount is \$24,866.30. Staff and the consulting engineer from DeWild Grant Reckert & Associates (DGR) have agreed to Delta Star's request. As a result, DGR has submitted a certificate of completion for this portion of the contract.

ALTERNATIVES:

- 1) Accept partial completion of the contract with Delta Star, Inc., Lynchburg, Virginia, for the purchase of two transformers for the Vet Med Substation Project for Electric Services and release retained funds in the amount of \$24,866.30 for this portion of the contract.
- 2) Delay acceptance of this project.

MANAGER'S RECOMMENDED ACTION:

The contractor for the Vet Med Substation Transformers has delivered one of the two transformers specified under the contract. The Project Engineer has issued a certificate of completion on the work, 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, thereby accepting partial completion of the contract with Delta Star, Inc., Lynchburg, Virginia, for the purchase of two transformers for the Vet Med Substation Project for Electric Services and release retained funds in the amount of \$24,866.30 for this portion of the contract.