ITEM # <u>26</u> DATE: 06-28-11

COUNCIL ACTION FORM

<u>SUBJECT</u>: VET MED SUBSTATION POWER TRANSFORMERS COMPLETION

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 Ioad additions, football stadium Ioad additions, and Ames' Ioad 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.

On April 12, 2011, City Council accepted partial completion of the contract since one of the two transformers was delivered, installed and energized successfully. The second transformer has recently been delivered, installed and successfully energized. As a result, the consulting engineer from DeWild Grant Reckert & Associates (DGR) has submitted a certificate of completion. There were no change orders to this contract.

ALTERNATIVES:

- 1) Accept 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 authorize final payment to the contractor in the amount of \$994,652.
- 2) Delay acceptance of this project.

MANAGER'S RECOMMENDED ACTION:

The contractor for the Vet Med Substation Transformers has now completed the requirements of the contract, and the Project Engineer has issued a certificate of completion on the work.

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