

## COUNCIL ACTION FORM

**SUBJECT: VETERINARY MEDICINE SUBSTATION CAPACITOR BANKS**

**BACKGROUND:**

On December 20, 2011, City Council approved preliminary plans and specifications for the Vet Med Substation Capacitor Banks. The overall project is for both procurement and installation of two capacitor banks for this Substation. This portion of the project is for the purchase of the capacitor banks only. Installation for these capacitor banks will be bid separately at a later date.

Bid documents for the capacitor banks were issued to sixteen firms. On January 11, 2012, five bids were received as shown on the attached report. Electric Services staff reviewed the bids, and the bid submitted by Power Survey was found to be non-responsive because its bid security was not in compliance with the bid document requirements. The bid security provided was in the form of a company check, while the bid document requires that if the bid security is in the form of a check then it must be a *“cashier’s or certified check drawn on a bank in Iowa or a bank chartered under the laws of the United States”*.

Staff has concluded that the apparent low bid in the amount of \$218,379.00 submitted by Controllix Corporation, Walton Hills, OH, is acceptable. Controllix Corporation is not licensed to collect sales taxes for the State of Iowa. The City would pay applicable Iowa Sales Taxes directly to the State.

**The Engineer’s estimate of the total purchase price of the capacitor banks is \$250,000. The installation of these capacitors will be performed under a separate contract, which is estimated at \$100,000, for a total combined project cost of \$350,000.** In 2010/11 the Capital Improvements Plan was adjusted to include \$350,000 for the “Vet Med Substation Voltage Support” project. That project and budget has been carried over to the 2011/12 budget, and is the source of funding for this purchase.

**ALTERNATIVES:**

1. Award a contract to Controllix Corporation, Walton Hills, OH, for the Vet Med Substation Capacitor Banks in the amount of \$218,379.00, plus applicable sales taxes to be paid directly by the City of Ames to the State of Iowa.
2. Reject all bids and delay the purchase of the capacitor banks.

**MANAGER'S RECOMMENDED ACTION:**

There has been and will continue to be an increase of load at this substation as both the ISU Veterinary Medicine campus and the ISU Research Park continue to grow and expand. Should Electric Services not install capacitor banks at the Vet Med Substation, it will be difficult to maintain optimum customer service in that area.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract to Controllix Corporation, Walton Hills, OH, for the Vet Med Substation Capacitor Banks in the amount of \$218,379.00, plus applicable sales taxes to be paid directly by the City of Ames to the State of Iowa.



**INVITATION TO BID NO. 2012-097 VET  
MED SUBSTATION CAPACITOR BANKS  
BID SUMMARY**

<b>BIDDER</b>	<b>TOTAL*</b>
Controllix Corporation, Walton Hills, OH	\$218,379.00
Switchgear Power Systems, Winneconne, WI	\$272,754.50
Peak Sebstation Services, LLC, Birmingham, AL	\$335,615.00
WESCO Distribution, Des Moines, IA	\$318,980.00
Power Survey, St. Laurent, QC, Canada	Non-responsive
* Total is less all applicable taxes to ensure fair evaluation of prices since three bidders are not licensed to collect taxes.	