

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACT FOR AMES PLANT SUBSTATION IMPROVEMENTS

BACKGROUND:

On August 13, 2013, City Council approved preliminary plans and specifications for the Ames Plant Switchyard and Distribution Substation Improvements. **Council may recall that these are two separately-budgeted capital improvement projects (CIP) occurring at the Ames Plant substation.** One is for the Ames Plant Switchyard, which includes the replacement of 69kV switchyard relay and controls, breakers and associated equipment; while the other is at the adjoining Ames Plant Distribution Substation, which includes Switchgear replacement and a feeder. **This Council Action Form is for the construction and installation portion of all equipment and new feeder at this site.**

Bid documents were issued to thirty-four firms. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published in the Ames Tribune. The bid was also sent to one plan room.

On September 11, 2013, six bids were received as shown below:

BIDDER	AMES PLANT SWITCHYARD	AMES PLANT DISTRIBUTION SUBSTATION	TOTAL
Harold K. Scholz Company Ralston, NE	\$372,460.40	\$260,012.56	\$632,472.96
National Conductor Constructors Brainerd, MN	\$417,981.23	\$232,127.11	\$650,108.34
Tri City Electric Company of Iowa Davenport, IA	\$522,952.75	\$315,594.70	\$838,547.45
Hooper Corporation Madison, WI	\$603,566.99	\$325,445.98	\$929,012.97
Watts Electric Company Waverly, NE	\$601,352.56	\$344,413.88	\$945,766.44
PowerSecure, Inc. Wake Forest, NC	\$679,535.06	\$339,733.31	\$1,019,268.37

Electric Services staff along with an engineer from Dewild Grant Reckert & Associates (DGR) Company reviewed the bids. After their evaluation, they concluded that the

apparent low bid submitted by Harold K. Scholz Company, Ralston, NE, in the amount of \$632,472.96 (inclusive of applicable sales tax) is acceptable.

The Engineer's estimate of this phase is \$875,000. Of this, \$570,000 is for the Ames Plant Switchyard Project and \$305,000 is for the Ames Plant Distribution Substation Project.

The approved FY2013/14 CIP for Electric Services includes \$1,700,000 for engineering, materials and construction under the Ames Plant 69kV Switchyard Relay and Control Replacement project with Iowa State University contributing an estimated \$319,600 to the cost.

To date the project budget has the following items encumbered:

Ames Plant Switchyard

\$1,700,000.00	Amount Budgeted for Project
\$122,700.00	Encumbered Engineering for Ames Plant (A.P.) Switchyard (Approved by City Council on April 24, 2012.)
\$56,377.35	Actual cost for SF6 circuit breakers. (Awarded by City Council on July 23, 2013)
\$122,868.40*	Actual cost for electrical materials. (Awarded by City Council on July 23, 2013) * This amount includes applicable sales taxes to be paid directly by the City of Ames to the State of Iowa.
\$198,469.55	Actual cost for control panels. (Awarded by City Council on September 10, 2013)
\$372,460.40	Actual cost for materials installation phase for the Ames Plant Switchyard Project – this item (pending Council award of contract for this agenda item)
<u>\$872,875.70</u>	Total committed to Date
\$827,124.30	Amount available to complete project (Relay and Controls equipment and installation at other substation.)

The approved FY2013/14 CIP for Electric Services includes \$1,160,000 budgeted for construction under the Ames Plant Distribution Substation Switchgear and Feeder Extension project, which is not cost-shared by ISU.

Ames Plant Distribution Substation

\$1,160,000.00	Amount Budgeted for Project
\$210,000.00	Encumbered Engineering for Ames Plant (A.P.) Distribution Substation (Approved by City Council on April 24, 2012.)
\$112,754.50	Actual cost for SF6 circuit breakers. (Awarded by City Council on July 23, 2013)
\$9,466.00*	Actual cost for electrical materials. (Awarded by City Council on July 23, 2013) * This amount includes applicable sales taxes to be paid directly by the City of Ames to the State of Iowa.
\$260,012.56	Actual cost for materials installation phase for the Ames Plant Distribution Substation Project – this item (pending Council award of contract for this agenda item)
<u>\$592,233.06</u>	Total committed to Date
\$567,766.94	Amount available to complete project (Switchgear)

ALTERNATIVES:

1. Award a contract to Harold K. Scholz Company, Ralston, NE, for the Ames Plant Switchyard and Distribution Substation Improvements in the amount of \$632,472.96 (inclusive of applicable sales taxes).
2. Award a contract to one of the other bidders.
3. Reject all bids and direct staff to rebid.

MANAGER'S RECOMMENDED ACTION:

Even though we budgeted for two separate projects for work at the same substation, it will be more cost-effective and efficient to bid these as a single project. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.