

COUNCIL ACTION FORM

SUBJECT: **ELECTRIC SERVICES UNDERGROUND TRENCHING SECONDARY CONTRACT – CHANGE ORDER NO. 1**

BACKGROUND:

This contract consists of a contractor furnishing all equipment, tools, labor, and materials not supplied by Electric Services for excavating, trenching, directional boring, and backfilling for installation of conduits, ground sleeves, box pads, vaults, handholes, and other appurtenances. This consists of emergency service, as well as regularly planned repairs and services.

On April 12, 2016, Council approved **secondary contract** renewal with Communication Technologies, Des Moines, IA, for the Underground Trenching Contract for Electric Services for the one-year period from July 1, 2016, through June 30, 2017 in the an amount not-to-exceed \$41,250. Council should note that the **primary contract** was awarded to Ames Trenching, Ames, IA, for the same contract period in an amount not-to-exceed \$233,750. The overall total awarded between the two contracts was \$275,000.

The proposed change order would be Change Order No. 1. This change order will add an additional \$22,000 to the **secondary contract** for FY2016/17. This will bring the total secondary contract amount to an amount not-to-exceed \$63,250. Between the primary and secondary contracts the overall amount will be increased from \$275,000 to \$297,000. It should be noted that staff will not be spending the entire contract amount with Ames Trenching. So, the original \$275,000 budget will not be exceeded.

The primary contractor was very busy so staff had to assign additional work to the secondary contractor in order to meet required project deadlines. The assigned work was much higher than staff originally planned and as a result the contracted amount has been exceeded which is the reason a change order is now needed.

The approved FY 2016/17 operating budget for Underground System Improvements contains \$1,400,000. Trenching and excavation services are included in this amount. The trenching and excavation services covered by this contract would also be used for the relocation of Electric Services facilities to clear sites for Public Works roadway improvement projects. Funds have been designated in various CIP projects for those relocation activities.

ALTERNATIVES:

1. Approve contract Change Order No. 1 with Communication Technologies, Des Moines, IA, for the Underground Trenching Contract for Electric Services in the

not-to-exceed amount of \$22,000. This will bring the total FY2016/17 secondary contract value to a not-to-exceed amount of \$63,250.

2. Do not approve the change order.

MANAGER'S RECOMMENDED ACTION:

These services are necessary to provide trenching and excavation for new construction, maintenance, and emergency repair activities for Electric Services. Having two contractors under contract allows the City to assign work to the secondary contractor if the primary contractor is busy and is unable to meet required project deadlines. This should reduce delays to project schedules.

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