

COUNCIL ACTION FORM

**SUBJECT: AWARD OF CONTRACT FOR TOP-O-HOLLOW SUBSTATION
EQUIPMENT COMMISSIONING**

BACKGROUND:

This project will convert the existing single underground 69kV transmission tap connection at the Top-O-Hollow substation to a more reliable dual-source transmission connection, including the necessary relaying and breakers for high-speed line and transformer protection. The scope of this project includes the replacement and expansion of the existing 13.8kV metalclad switchgear to provide the addition of a main breaker and replacement of obsolete airblast breakers and electromechanical relays with vacuum-interrupter breakers, microprocessor-based relaying equipment, the addition of 69kV line breakers and the addition of a 13.8kV Capacitor Bank for power factor correction.

This contract will supply the testing services needed to commission the new electrical substation facilities installed as a part of this project. This includes testing of all 69kV switches, instrument transformers, power transformer as well as breakers and relays within the substation.

On May 8, 2018, a request for proposal (RFP) document was issued to nine firms for proposals. The RFP was advertised on the Current Bid Opportunities section of the Purchasing webpage and was also sent to two plan rooms. On May 25, 2018, staff received competitive proposals from two firms.

These proposals were then evaluated by a staff committee for evaluation. The committee members independently evaluated and scored all three proposals based on price, offeror's technical proposal and references.

Based on the matrix, the averaged scores were as follows:

OFFERORS	AVERAGE SCORE	PRICE
L & S Electric Inc., Coon Rapids, MN	967	\$76,169
Shermco Industries Inc., Des Moines, IA	610	\$87,632

Each score was based on a scale of 1 to 10. Overall, 1,000 possible points were available cumulatively for each company that responded.

Based on the average scores and a unanimous decision by the evaluation committee, it is recommended that this contract be awarded to L & S Electric Inc.,

Coon Rapids, MN, for \$76,169.00. There was no specific engineer's estimate on this portion of the project.

The approved FY 2017/18 CIP for Electric Services includes \$1,950,000 for the Top-O-Hollow Substation Expansion and Breaker Addition project. Iowa State University's (ISU) will also provide funding for this project. ISU's share of the project is based on a load-ratio-share of the 69kV portion of this project at the time of implementation. For budgetary purposes, staff is assuming the ISU load ratio share to be 7% of the total project cost.

Originally this project was budgeted to provide overhead transmission lines from the substation. After review of the location, discussions with neighboring residents, and for increased reliability, staff determined that the lines leaving the substation should be installed underground. Underground lines will allow the substation design to be more compact and eliminate the need to build a storm water retention pond on the site.

To cover the new engineer's estimate including the underground connection, unspent funds from three other current or recent CIP projects were moved to this project. These include \$800,000 from Transmission Reconstruction, \$331,652 from 69kV Switchyard Relay, and \$271,843 from Street Lights, for a total of \$1,404,495, bringing the total amount of funding available for the project to be \$3,353,495. These funding transfers were approved by Council in May.

A breakdown of the budget as well as contracts awards to date is attached.

ALTERNATIVES:

1. Award a contract to L & S Electric, Inc., Coon Rapids, MN, for the Top-O-Hollow Substation Equipment Commissioning in the amount of \$76,169.
2. Award a contract to the other bidder.
3. Reject all proposals and direct staff to re-issue the RFP.

MANAGER'S RECOMMENDED ACTION:

This project will improve reliability of the 69kV transmission system, improve service to the customers served by this substation, improve worker safety, and provide improved protection to electrical assets from fault damage. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

To date the Top-O-Hollow CIP project budget has the following items encumbered:

\$1,950,000	FY 2017/18 CIP amount budgeted for construction
<u>\$1,403,495</u>	Additional funds transferred from budgeted CIP funds for 69kV
\$3,353,495	Transmission Reconstruction (\$800,000), Street Light (\$271,843) and 69kV Switchyard Relay & Controls (\$331,652.00)
	<u>H K Scholz</u>
\$599,231	Switchgear and Control Panels
	<u>RESCO</u>
\$37,012.26	69kV Switches
\$27,895.27	Instrument Transformers
\$10,884.30	69kV Lightning Arrestors
	<u>Kriz-Davis Co. – BSE</u>
\$42,003.18	Steel Structures
	<u>Siemens Industry, Inc</u>
\$75,221	(2) 69kV Breakers
	<u>Controllix Corporation</u>
\$104,748.35	(1) 13.8kV Cap Bank
	<u>Primoris Aevenia, Inc.</u>
\$1,511,291.16	Construction
	<u>L & S Electric, Inc.</u>
\$76,169	Equipment Commissioning (pending Council award for this agenda item)
	<u>To Be Determined</u>
<u>\$350,000</u>	*Estimated cost of Installation Services for 69kV UG Power Cable (on this same agenda for approval of plans & specs)
\$2,834,455.52	Costs committed to date for project
\$519,039.48	Remaining Project Balance for the CIP Project.