

COUNCIL ACTION FORM

**SUBJECT: ELECTRIC SERVICES UNDERGROUND TRENCHING CONTRACT
– CHANGE ORDER NO. 1 TO FY2017/18 SECONDARY CONTRACT**

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 May 9, 2017, Council approved 1) the **primary contract** renewal with Ames Trenching & Excavating, Ames, IA, for the Underground Trenching Contract for Electric Services for the one-year period from July 1, 2017, through June 30, 2018 in the amount not-to-exceed \$276,250; and 2) the **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, 2017, through June 30, 2018 in the amount not-to-exceed \$48,750.

It is worth noting that Communication Technologies, Des Moines, IA, was acquired by Communication Data Link, LLC, Grimes, IA. For FY2017/18 Communication Data Link, LLC, contacted staff about this change in ownership and they agreed to renew this contract with the same terms, conditions and rates that were agreed upon on the initial contract the City established with Communication Technologies, LLC.

The proposed change order would be Change Order No. 1 to the secondary contract with Communication Data Link, LLC. The primary contractor has not been able to accomplish all the trenching work Electric Services is requiring. More work is being moved to the secondary contractor. This Change Order is needed to increase the amount of funds in the FY2017/18 fiscal year contract to pay an outstanding invoice in which the current budgeted amount cannot currently cover. This change order will add an additional \$33,000 to the current contract for FY2017/18. This will bring the total contract amount to \$81,750.

The approved FY 2017/18 operating budget for Underground System Improvements contains \$325,000. Trenching and excavation services are included in this amount. Staff is not asking for new funding. The utility has spent much less on trenching services from the primary contract which has freed up funds to pay the secondary contractor.

ALTERNATIVES:

1. Approve contract Change Order No. 1 with Communication Data Link, LLC, Grimes, IA, for the **secondary contract** of the Underground Trenching Contract for Electric Services in the not-to-exceed amount of \$33,000. This will bring the total FY2017/18 contract value to a not-to-exceed amount of \$81,750.
2. Do not approve the change order.

MANAGER'S RECOMMENDED ACTION:

This change order is necessary to pay the remaining invoice on the FY2017/18 secondary contract. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.