

**COUNCIL ACTION FORM**

**SUBJECT: ELECTRIC SERVICES UNDERGROUND TRENCHING CONTRACT -  
CHANGE ORDERS**

**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 planned repairs and services.

On June 26, 2018, 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, 2018, through June 30, 2019, in the amount not-to-exceed \$175,000; and 2) the **secondary contract** renewal with Communication Data Link, LLC, Grimes, IA for the Underground Trenching Contract for Electric Services for the one-year period from July 1, 2018, through June 30, 2019, in the amount not-to-exceed \$75,000.

**The action being requested is to approve change orders to both the primary and secondary contracts.**

**PRIMARY CONTRACT:**

**The action being requested is to approve Change Order No. 1 to the primary contract with Ames Trenching & Excavating.** This change order will add an additional \$50,000 to the current contract for FY2018/19. This will bring the total primary contract amount to \$225,000.

**This Change Order is needed to increase the amount of funds in the current fiscal year primary contract. The work on this contract was greater than staff originally anticipated and as a result additional funds are now needed to insure enough money is available for the remaining part of this contract term. The majority of these funds are used to replace failed underground cable in residential areas and there has been a higher level of this work than in prior years.**

**SECONDARY CONTRACT**

**The action being requested is to approve Change Order No. 2 to the secondary contract with Communication Data Link, LLC.** This change order will add an additional \$29,000 to the current contract for FY2018/19.

This Change Order is needed to increase the amount of funds in the current fiscal year primary contract. **The work on this contract was greater than staff originally anticipated and as a result additional funds are now needed to insure enough money is available for the remaining part of this contract term.**

One change order was previously issued for the secondary contract with Communication Data Link, LLC in the not-to-exceed amount of \$6,000. This change order increased this secondary contract amount to \$81,000. This change order was needed because a recent project came in slightly more costly than expected, and the remaining balance on this contract was insufficient to cover the invoice.

**The secondary contract total including these two change orders is \$110,000.**

The approved FY 2018/19 operating budget for Underground System Improvements contains \$325,000. Trenching and excavation services are included in this amount. The trenching and excavation services covered by this contract also are used for the relocation of Electric Services facilities for Public Works roadway improvement projects. **The additional funding needed to cover these two change orders will come from CIP funds allocated for underground relocations for road improvement projects.**

**The Council should understand the additional funds authorized in these change orders will not be spent unless needed.** Invoices will be based on contract rates for time and materials for services that are actually performed.

#### **ALTERNATIVES:**

1. a. Approve **primary contract** Change Order No. 1 with Ames Trenching & Excavating, Ames, IA, for the Underground Trenching Contract for Electric Services in the not-to-exceed amount of \$50,000. This will bring the total FY2018/19 primary contract value to a not-to-exceed amount of \$225,000.
- b. Approve **secondary contract** Change Order No. 2 with Communication Data Link, LLC, Grimes, IA, for the Underground Trenching Contract for Electric Services in the not-to-exceed amount of \$29,000. This will bring the total FY2018/19 secondary contract value to a not-to-exceed amount of \$110,000.
2. Do not approve these change orders and thereby require staff to bid each new project out separately which would delay the completion of the projects.

#### **MANAGER'S RECOMMENDED ACTION:**

The two change orders are necessary to insure there is enough funding available for any work needed for the remaining part of the current contract term. Funds will be expended only as work is required and in accordance with approved invoices.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.