

COUNCIL ACTION FORM

SUBJECT: RAPID NEEDS PURCHASE FOR 161 KV TIE LINE REPAIR

BACKGROUND:

On August 10, 2020, the City experienced widespread, destructive straight-line winds which blew across central Iowa. This derecho event damaged the three transmission interconnection points with the outside electrical grid. Thirteen transmission poles for the 161 KV line between Ames and northern Ankeny were broken from the storm, leaving the line out of service until replaced. To ensure reliable electrical service could be maintained to the City's electric customers, immediate repairs were needed to re-establish this line. The repair work involved replacement of poles and restringing the conductor.

City staff decided to implement rapid need purchases for the materials and installation labor for the transmission poles. Per the *Purchasing Policies & Procedures* a "rapid-need situation" occurs when materials and/or services could not have been predicted and must be procured in less than the normal allotted time in order to continue a service to the public".

The City's *Purchasing Policies & Procedures* state that "if the cost of purchases related to [an] emergency or rapid need is \$50,000 or more, the using department shall maintain records" of the expenditure. It further states that the using department "shall report the situation and related expenses to the City Manager for presentation to the City Council. The report shall be in a format as directed by the City Manager."

Following the authorization of this "Rapid Needs" purchase by the City Manager's Office, three purchase orders were issued:

1. DGR Engineering, Inc., was issued a purchase order in an amount not to exceed \$10,000 for engineering services related to specifying the replacement poles.
2. Stella-Jones Corporation, Tacoma, WA, was issued a purchase order in the amount of \$63,434.95 to for transmission poles (inclusive of sales tax).
3. Hooper Corporation, Milwaukee, WI, was issued a purchase order in the amount of \$160,500 for the installation of poles and necessary repairs (inclusive of sales tax). Additional labor was required after the full extent of the repair work was understood. A change order was issued and the full amount of the contract to Hooper Corporation is in the amount of \$294,250.

The total of these costs to repair the 161 KV tie line is \$367,684.95. This amount may be subject to minor adjustments as staff completes the review of billings. The necessary repairs are now complete, and the 161 KV tie line has been returned to service. The repair costs will be paid from the Electric Operations budget, and City staff will seek FEMA reimbursement for these expenses through the approved federal disaster declaration related to the storm.

ALTERNATIVES:

1. Approve the report of the rapid needs purchase for repairs to the 161 KV tie line.
2. Refer this item to staff for further information.

CITY MANAGER'S RECOMMENDED ACTION:

To restore reliable electric service to the City's customers in the quickest manner possible following the August 10 windstorm, the use of a rapid needs purchase was required. Repairs have been completed to critical electric infrastructure through this process and a report to the City Council is required.

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