

**COUNCIL ACTION FORM**

**SUBJECT: ELECTRIC SERVICES UNDERGROUND TRENCHING - CONTRACT RENEWAL**

**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 work consists of emergency service, as well as regularly planned repairs and services. Therefore, to ensure availability of contractors, Electric Services contracts with a primary trenching contractor and a secondary trenching contractor. The secondary contractor is utilized when the primary contractor is unavailable to provide services.**

**On June 25, 2019, City Council awarded the primary contract to Ames Trenching & Excavating, Ames, IA, and the secondary contract to Zoske Electrical Services, Inc., Des Moines, IA. This contract contained the option to renew the contract for four additional one-year periods. The period from date of award through June 30, 2023, is the third renewal period subject to Council approval of funding for the Underground Trenching Contract.**

**The contract includes a rate provision which increases rates at fixed percentages above the previous fiscal year contracted rates at time of renewal. For the primary contract with Ames Trenching & Excavating, the fixed rates for FY 2022/23 include a labor increase of 5% and no increases for equipment and tools. For the secondary contract with Zoske Electrical Services, Inc., the fixed rates for FY 2022/23 include a labor increase of 3% and no increases for equipment and tools. A comparison of FY 2021/22 rates and proposed FY 2022/23 rates is shown on Attachment 1.**

**Staff recommends renewal of the contract with Ames Trenching & Excavating and Zoske Electrical Services. The benefits of having a contract for these services include:**

- 1) Consistency of work and quality from a single contractor.**
- 2) Reduction in the City's exposure to market forces regarding prices and availability for labor, travel, and supplies in preparation for a scheduled outage.**
- 3) Rapid contractor mobilization to start emergency repairs, thus reducing generation downtime.**
- 4) Saved City staff time obtaining quotes, evaluating bids and preparing specifications and other procurement documentation.**

The total amount to be renewed for these contracts will be a time and materials cost not to exceed \$500,000.

The approved FY 2022/23 operating budget for Underground System Improvements contains \$600,000. 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 the contract renewal for underground trenching for FY 2022-23.
  - a. Approve the **primary contract** renewal with Ames Trenching & Excavating, Ames, IA, for the Underground Trenching Contract for Electric Services for the period from date of award through June 30, 2023, in an amount not-to-exceed \$400,000.
  - b. Approve a Performance Bond with Ames Trenching & Excavating, Ames, IA in the amount of \$400,000.
  - c. Approve the **secondary contract** renewal with Zoske Electrical Services, Inc., Des Moines, IA, for the Underground Trenching Contract for Electric Services for the period from date of award through June 30, 2023, in an amount not-to-exceed \$100,000.
  - d. Approve a Performance Bond with Zoske Electrical Services, Inc., Des Moines, IA in the amount of \$100,000.
2. Do not renew these contracts and instruct staff to obtain trenching services on an as-needed basis.

**CITY MANAGER'S RECOMMENDED ACTION:**

These services are necessary to provide trenching and excavation for new construction, maintenance, and emergency repair activities for Electric Services. These contracts establish rates and provide for guaranteed availability, thereby helping to control costs.

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.