

ITEM #:	<u>27</u>
DATE:	<u>06-24-25</u>
DEPT:	<u>ELEC</u>

COUNCIL ACTION FORM

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

BACKGROUND:

This contract is for underground trenching services for the Electric Services Department. The scope of work 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. The work also includes the necessary clearing, sheeting and shoring, boring and jacking, dewatering, pipe embedment, and other appurtenant work. Trenching and excavation services can be required as part of new construction or maintenance projects. These services are occasionally needed during off hours as part of emergency repairs.

The contract allows for award to multiple contractors. This has been in practice under the current contract and has worked well to meet deadlines. The primary contractor would be given a majority of the work. Should the primary contractor be unable to meet the City's required completion date on an individual work order under the contract, that individual project work can be issued to a secondary contractor in order to meet the City's required completion date.

On July 9, 2024, City Council awarded a primary contract to Communications Data Link, of Grimes, IA, and a secondary contract to Ames Trenching & Excavating, of Ames, IA, for the Underground Trenching Contract. The contract allows a provision to renew the contract up to four additional one-year periods. This is the first out of four renewal periods.

Council should note the rates that will be charged by Communications Data Link will increase 3% compared to the current year and rates charged by Ames Trenching & Excavating will increase 5% compared to the current year, as indicated on the bid documents.

The total amount to be awarded for this contract would be on a time and materials cost basis not to exceed \$375,000. Invoices would be based on unit prices bid and actual work performed. **The approved FY 2025/26 operating budget for outside services includes \$350,000 for services under this contract. Additional funds, if required, are available from the underground materials budget.**

ALTERNATIVES:

1. The City Council can do the following:
 - a. Approve a **primary contract** renewal with Communications Data Link, of Grimes, IA, for the Underground Trenching Contract with Electric Services for the one-year period from July 1, 2025 through June 30, 2026 in an amount not-to-exceed \$225,000.
 - b. Approve a **secondary contract** renewal with Ames Trenching & Excavating, of Ames, IA for the Underground Trenching Contract with Electric Services for the one-year period from July 1, 2025 through June 30, 2026 in an amount not-to-exceed \$150,000.
2. Do not renew and direct staff to seek competitive new bids.

CITY MANAGER'S RECOMMENDED ACTION:

These services provide trenching and excavation for new construction, maintenance, and emergency repair activities of the Electric Services Department. The annual renewable contracting process reduces the City's exposure to market forces regarding prices and availability for labor, equipment, travel, and supplies for these services. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.