



City of Grand Island

Tuesday, March 26, 2019

Council Session

Item G-13

**#2019-109 - Approving Bid Award - Transmission Line Work
OPGW Upgrade**

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Tim Luchsinger, Utilities Director
Stacy Nonhof, Assistant City Attorney

Meeting: March 26, 2019

Subject: Transmission Line Work OPGW Upgrade

Presenter(s): Tim Luchsinger, Utilities Director

Background

The Grand Island Utilities Department utilizes a 115,000 Volt transmission loop around the City to connect the substations together as well as provide interconnections with Nebraska Public Power District (NPPD) in five locations.

In 1998, the shield wire on the transmission loop was replaced with a twelve fiber Optical Ground Wire (OPGW). This OPGW provides shielding and grounding for the transmission system as well as twelve fiber optic connections between substations and the Phelps Control Center. More recently, fibers have been used for additional City communications.

With the dramatic increase in data transfer requirements over the past decade, twelve fibers are no longer adequate. Current standard OPGW installations typically include, at a minimum, forty-eight fibers and commonly ninety-six fibers. It was decided by Department staff that upgrading the OPGW to ninety-six fibers was necessary to meet current and future needs.

Discussion

The request for bids was advertised in accordance with City procurement requirements. Specifications were sent to five regional providers. Bids were publicly opened on March 14, 2019. Three bids were received as shown below:

Bidder	Amount	Exceptions
Watts Electric Company, Waverly, Nebraska	\$ 934,582.11	None
IES Commercial, Inc., Holdrege, Nebraska	\$ 962,615.00	None
Wolf Line Construction, Lexington, South Carolina	\$1,219,610.65	None

The engineer's estimate was \$750,000.00. Upon investigation into why the bids received were significantly higher than the engineer's estimate, it was discovered that budgetary pricing obtained prior to going out for bids was a labor price only. The following is the labor component of the bids:

Bidder	Labor	Total Bid	% Labor
Watts Electric Company	\$628,857.04	\$ 934,582.11	67.3%
IES Commercial, Inc.	\$672,586.00	\$ 962,615.00	69.9%
Wolf Line Construction	\$890,247.34	\$1,219,610.65	73.0%

The labor component of two out of the three bids received is below the engineer's estimate and two bids were very close to each other indicating that they are competitive.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to a future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the bid for Transmission Line Work OPGW Upgrade to Watts Electric Company of Waverly, Nebraska, in the amount of \$934,582.11.

Sample Motion

Move to approve the bid for Transmission Line Work OPGW Upgrade to Watts Electric Company of Waverly, Nebraska, in the amount of \$934,582.11.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: March 14, 2019 at 2:00 p.m.
FOR: Transmission Line Work OPGW Upgrade
DEPARTMENT: Utilities
ESTIMATE: \$750,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: February 15, 2019
NO. POTENTIAL BIDDERS: 5

SUMMARY

Bidder:	<u>Watts Electric Company</u> Waverly, NE	<u>IES Commercial, Inc.</u> Holdrege, NE
Bid Security:	Universal Surety Co.	Everest Reinsurance Co.
Exceptions:	None	None
Bid Price:	\$934,582.11	\$962,615.00.00

Bidder:	<u>Wolf Line Construction</u> Lexington, SC
Bid Security:	Cashier's Check
Exceptions:	None
Bid Price:	\$1,219,610.65

cc: Tim Luchsinger, Utilities Director
Brent Clark, City Administrator
Stacy Nonhof, Purchasing Agent

Pat Gericke, Utilities Admin. Assist.
Patrick Brown, Finance Director
Travis Burdett, Assist. Utilities Director

P2113

RESOLUTION 2019-109

WHEREAS, the City of Grand Island invited sealed bids for Transmission Line Work OPGW Upgrade, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on March 14, 2019, bids were received, opened and reviewed; and

WHEREAS, Watts Electric Company of Waverly, Nebraska, submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, such bid being in the amount of \$934,582.11, including Labor and Materials; and

WHEREAS, the bid of Watts Electric Company presented the lowest bid for Transmission Line Work OPGW Upgrade including Labor and Materials.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Watts Electric Company in the amount of \$934,582.11, for Transmission Line Work OPGW Upgrade, is hereby approved as the lowest responsible bid.

Adopted by the City Council of the City of Grand Island, Nebraska, March 26, 2019.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
March 22, 2019	☐ City Attorney