



# City of Grand Island

Tuesday, September 24, 2013

Council Session

## Item I-2

**#2013-325 - Consideration of Approving Bid Award for  
Construction of Electrical Substation "J" on Wildwood Road at  
Blaine Street**

Staff Contact: Tim Luchsinger, Stacy Nonhof

# **Council Agenda Memo**

**From:** Timothy Luchsinger, Utilities Director  
Stacy Nonhof, Assistant City Attorney

**Meeting:** September 24, 2013

**Subject:** Approving Bid Award – Construction of Substation “J”

**Item #'s:** I-2

**Presenter(s):** Timothy Luchsinger, Utilities Director

## **Background**

On January 8, 2008, a presentation was made during a Council meeting summarizing the results of a detailed electrical transmission study by Advantage Engineering. Several recommendations resulted from that study, which included the new 115 kV transmission line to the northwest of the City and a new substation to help power the southwest area of the City near the Highway 281 corridor and the Platte Valley Industrial Park. The transmission line to NPPD's St. Libory substation was completed in 2012. A site for the new Substation “J” was chosen at the intersection of Blaine Street and Wildwood Drive on existing City property at the Platte Generating Station. This location will provide the projected future electric supply capacity to this area. A contract for two large transformers was approved previously and they have been delivered to the site.

## **Discussion**

Bids were received by the City on September 11, 2013 for the contract labor and materials for the construction of Substation “J”. The five bids received were:

Bidder	Bid Price
IES Commercial, Inc. Holdrege, NE	\$2,472,834.38
Watts Electric Company Waverly, NE	\$2,723,202.35
Addison Construction Company Cheyenne, WY	\$2,765,431.00
National Conductor Constructors Brainerd MN	\$3,067,109.00
PowerSecure, Inc. Midway, FL	\$4,593,474.00

IES Commercial's bid contains no exceptions and meets all requirements. IES Commercial recently completed the new seven mile 115 kV transmission line to the northwest of the City and it was a positive experience. Calls to several references were positive as well.

Based on a review of the bids received, the IES Commercial bid of \$2,472,834.38 is recommended by the Department as the lowest, compliant bid.

### **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 future date
4. Take no action on the issue

### **Recommendation**

City Administration recommends that the Council approve the Contract for Substation "J" construction with IES Commercial of Holdrege, Nebraska, in the amount of \$2,472,834.38.

### **Sample Motion**

Move to approve the contract for Substation "J" construction with IES Commercial in the amount of \$2,472,834.38.



Stacy Nonhof, Purchasing Agent

*Working Together for a  
Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** September 11, 2013 at 2:00 p.m.  
**FOR:** Substation J Construction 2013 – Contract #13-PCC-01  
**DEPARTMENT:** Utilities  
**ESTIMATE:** \$3,000,000.00  
**FUND/ACCOUNT:** 520  
**PUBLICATION DATE:** August 8, 2013  
**NO. POTENTIAL BIDDERS:** 5

**SUMMARY**

<b>Bidder:</b>	<u><b>IES Commercial, Inc.</b></u> Holdrege, NE	<u><b>Watts Electric Company</b></u> Waverly, NE
<b>Bid Security:</b>	National Union Fire Ins. Co.	Universal Surety Co.
<b>Exceptions:</b>	None	None
<b>Bid Price:</b>	\$2,472,834.38	\$2,723,202.35
<b>Bidder:</b>	<u><b>Addison Construction Co.</b></u> Cheyenne, WY	<u><b>PowerSecure, Inc.</b></u> Midway, FL
<b>Bid Security:</b>	Cincinnati Ins. Co.	Western Surety Co.
<b>Exceptions:</b>	None	Noted
<b>Bid Price:</b>	\$2,765,431.00	\$4,593,474.00
<b>Bidder:</b>	<u><b>National Conductor Constructors</b></u> Brainerd, MN	
<b>Bid Security:</b>	Hartford Fire Ins. Co.	
<b>Exceptions:</b>	Noted	
<b>Bid Price:</b>	\$3,067,109.00	

cc: Tim Luchsinger, Utilities Director

Bob Smith, Assist. Utilities Director

Mary Lou Brown, City Administrator  
Stacy Nonhof, Purchasing Agent  
Travis Burdett, Assist. Utilities Director

Jaye Monter, Finance Director  
Pat Gericke, Utilities Admin. Assist.

**P1669**

## CONTRACT AGREEMENT

THIS AGREEMENT made and entered into by and between IES Commercial, Inc.  
hereinafter called the Contractor, and the City of Grand Island, Nebraska, hereinafter called the City.

WITNESSETH:

THAT, WHEREAS, in accordance with law, the City has caused contract documents to be prepared and an advertisement calling for bids to be published, for construction of **SUBSTATION J CONSTRUCTION 2013**; and

WHEREAS, the City, in the manner prescribed by law, has publicly opened, examined, and canvassed the bids submitted, and has determined the aforesaid Contractor to be the lowest responsive and responsible bidder, and has duly awarded to the said Contractor a contract therefore, for the sum or sums named in the Contractor's bid, a copy thereof being attached to and made a part of this contract;

NOW, THEREFORE, in consideration of the compensation to be paid to the Contractor and of the mutual agreements herein contained, the parties have agreed and hereby agree, the City for itself and its successors, and the Contractor for itself, or themselves, and its, or their successors, as follows:

ARTICLE I. That the Contractor shall (a) furnish all tools, equipment, superintendence, transportation, and other construction materials, services and facilities; (b) furnish, as agent for the City, all materials, supplies and equipment specified and required to be incorporated in and form a permanent part of the completed work; (c) provide and perform all necessary labor; and (d) in a good substantial and workmanlike manner and in accordance with the requirements, stipulations, provisions, and conditions of the contract documents as listed in the attached General Specifications, said documents forming the contract and being as fully a part thereof as if repeated verbatim herein, perform, execute, construct and complete all work included in and covered by the City's official award of this contract to the said Contractor, such award being based on the acceptance by the City of the Contractor's bid;

ARTICLE II. That the City shall pay to the contractor for the performance of the work embraced in this contract and the contractor will accept as full compensation therefore the sum (subject to adjustment as provided by the contract) of Two Million, Four Hundred Seventy Two Thousand, Eight Hundred Thirty Four and 38/100 Dollars  
\$ 2,472,834.38

for all services, materials, and work covered by and included in the contract award and designated in the foregoing Article I; payments thereof to be made in cash or its equivalent in the manner provided in the General Specifications.

ARTICLE III. The contractor hereby agrees to act as agent for the City in purchasing materials and supplies for the City for this project. The City shall be obligated to the vendor of the materials and supplies for the purchase price, but the contractor shall handle all payments hereunder on behalf of the City. The vendor shall make demand or claim for payment of the purchase price from the City by submitting an invoice to the contractor. Title to all materials and supplies purchased hereunder shall vest in the City directly from the vendor. Regardless of the method of payment, title shall vest immediately in the City. The contractor shall not acquire title to any materials and supplies incorporated into the project. All invoices shall bear the contractor's name as agent for the City. This paragraph will apply only to these materials and supplies actually incorporated into and becoming a part of the finished product of SUBSTATION J CONSTRUCTION 2013.

ARTICLE IV. That the contractor shall start work as soon as possible after the contract is signed and the required bonds and insurance are approved, and that the Contractor shall complete the work on or before September 1, 2014. It is understood and agreed that time is the essence of the contract.

CONTRACT AGREEMENT (Continued)

ARTICLE V. The Contractor agrees to comply with all applicable State fair labor standards in the execution of this contract as required by Section 73-102, R.R.S. 1943. The Contractor further agrees to comply with the provisions of Section 48-657, R.R.S. 1943, pertaining to contributions to the Unemployment Compensation Fund of the State of Nebraska. During the performance of this contract, the contractor and all subcontractors agree not to discriminate in hiring or any other employment practice on the basis of race, color, religion, sex, national origin, age or disability. The Contractor agrees to comply with all applicable Local, State and Federal rules and regulations.

IN WITNESS WHEREOF, the parties hereto have executed this Contract Agreement.

Contractor \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

Title \_\_\_\_\_

CITY OF GRAND ISLAND, NEBRASKA,

By \_\_\_\_\_

Date \_\_\_\_\_

Mayor

Attest: \_\_\_\_\_

City Clerk

The contract, insurance, and any required bonds are in due form according to law and are hereby approved.

\_\_\_\_\_  
Attorney for the City

Date \_\_\_\_\_

RESOLUTION 2013-325

WHEREAS, the City of Grand Island invited sealed bids for construction of Electrical Substation “J” on Wildwood Road at Blaine Street, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on September 11, 2013, bids were received, opened and reviewed; and

WHEREAS, IES Commercial, Inc., of Holdrege, 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 \$2,472,834.38; and

WHEREAS, the bid of IES Commercial is less than the estimate for the Construction of Electrical Substation “J”.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of IES Commercial, in the amount of \$2,472,834.38, for construction of Substation “J”, is hereby approved as the lowest responsible bid, and that the Mayor is hereby authorized to, on behalf of the City, execute the Contract between the City of Grand Island and IES Commercial.

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Adopted by the City Council of the City of Grand Island, Nebraska, September 24, 2013.

\_\_\_\_\_  
Jay Vavricek, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form	☐ _____
September 20, 2013	☐ City Attorney