



# City of Grand Island

Tuesday, July 22, 2003

## Council Session

### Item G13

#### **#2003-207 - Approving Bid Award - Installation of Circuit Breakers, Utilities Department**

***Background:***

*Most of the Electric Department's oil circuit breakers are at least 30 years old. Since the circuit breakers were installed, the electric demand has tripled. With the system expansions required to satisfy the increased electric demand, in both City facilities and the regional grid, many circuit breakers are now undersized.*

*The Department did an extensive investigation to determine if the existing breakers could be upgraded to handle the increased loading. One of the major problems was that the type of breakers purchased 30 years ago has been out of production for about 15 years. The breaker manufacturers responded that they were not able to increase the electrical ratings. The existing breakers have been kept functional by cannibalizing used units.*

*The "as read" bid of E. A. Pedersen Company was for \$1,229,311. Upon checking the unit prices, a \$33 error was discovered; the tabulated amount reflects the correction. Arithmetical errors were not found in the bids of other firms.*

*Additionally, the EPA has recently passed new regulation requiring the development of Spill Prevention Control and Countermeasures (SPCC) plans for oil filled equipment; such plans require installation of secondary containment facilities; dikes, retaining walls, oil separators, drainage plans, facility inspections, etc.*

*Because of the inability to upgrade existing breakers, the obsolesce and lack of spare parts availability, and the EPA pending regulation, planning for breaker replacement was begun a year ago. The '02-'03 Electric Budget includes \$4,600,000 to replace all but two of the existing oil circuit breakers.*

***Discussion:***

*In November 2002, the engineering firm of DeWild Grant Reckert & Associates (DGR) was hired to do detailed design and prepare detailed specifications for replacement breakers. In January 2003, the City Council awarded contracts for the purchase of the replacement breakers to Mitsubishi Electrical Power Products, Inc. and Alstom T&D. Total of these breaker awards is \$2,285,000.*

*Upon award of the circuit breakers, DGR began the detailed installation design and Specification preparation. Specifications were mailed to prospective bidders on May 22, 2003 with the Advertisement to Bidders published in the Grand Island Independent on May 31, 2003. The Engineer's Estimate for Installation of Circuit Breakers was \$1,580,590.*

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*Bids were publicly opened and read on July 1, 2003. There were seven bidders. The bids are: 1)E.A.Pedersen Company, Omaha, NE - Bid Amount: \$1,229,344. 2)Kayton Electric, Inc., Holdrege, NE - Bid Amount: \$1,391,506. 3)Brink Electric Construction Co., Rapid City, SD - Bid Amount: \$1,507,235. 4)Addison Construction Co., Cheyenne, WY - Bid Amount: \$1,571,641. 5)Hutton Contracting Co., Inc., Strasburg, CO - Bid Amount: \$1,936,894. 6)Harold D. Scholz, Co., Ralston, NE - Bid Amount: \$2,363,964 and 7)PAR Electrical Contractors, Inc., Kansas City, MO - Bid Price \$2,403,098.*

*The “as read” bid of E. A. Pedersen Company was for \$1,229,311. Upon checking the unit prices, a \$33 error was discovered; the tabulated amount reflects the correction. Arithmetical errors were not found in the bids of other firms.*

***Recommendation:***

*The \$1,229,344 bid of E.A. Pedersen Company is the low bid and within the Engineer’s Estimate. DGR recommends the contract be awarded to E.A. Pedersen. The Electric Department staff concurs with this recommendation.*

***Fiscal Effects:***

*The Capital Improvements Budget for F.Y. 2002-03 allocates \$4,600,000 for this project, with additional expenditures anticipated in F.Y. 2003-04. Funds are available in the Utilities Department Enterprise Fund 520.*

***Alternatives:***

*Award Installation of Circuit Breakers to another bidder. See attached RESOLUTION.*

**Staff Contact: Gary Mader; Dale Shotkoski**

Purchasing Division of Legal Department  
**INTEROFFICE MEMORANDUM**



Dale M. Shotkoski, Assistant City Attorney

*Working Together for a  
Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** July 1, 2003 at 11:00 a.m.

**FOR:** Installation of Circuit Breakers 2003

**DEPARTMENT:** Utilities – Phelps Control

**ENGINEER'S ESTIMATE:** \$1,580,590.00

**FUND/ACCOUNT:** Enterprise 520

**PUBLICATION DATE:** May 31, 2003

**NO. POTENTIAL BIDDERS:** 8

**SUMMARY**

<b>Bidder:</b>	<b><u>Harold K. Scholz Company</u></b> Ralston, NE	<b><u>Kayton Electric, Inc.</u></b> Grand Island, NE	<b><u>PAR Electrical</u></b> Kansas City, MO
<b>Bid Security:</b>	<b><u>Fidelity &amp; Deposit Co.</u></b>	<b><u>Federal Insurance Co.</u></b>	<b><u>Federal Ins. Co.</u></b>
<b>Bid Price:</b>	<b><u>\$2,363,964.00</u></b>	<b><u>\$1,391,506.00</u></b>	<b><u>\$2,403,098.00</u></b>
<b>Bidder:</b>	<b><u>Hutton Contracting Co.</u></b> Strasburg, CO	<b><u>Brink Electric Const.</u></b> Rapid City, SD	<b><u>E.A. Pedersen Co.</u></b> Omaha, NE
<b>Bid Security:</b>	<b><u>Western Surety Co.</u></b>	<b><u>Federal Ins. Co.</u></b>	<b><u>Employers Mutual</u></b>
<b>Bid Price:</b>	<b><u>\$1,936,894.00</u></b>	<b><u>\$1,507,235.03</u></b>	<b><u>\$1,229,311.00</u></b>
<b>Bidder:</b>	<b><u>Addison Construction Co.</u></b> Cheyenne, WY		
<b>Bid Security:</b>	<b><u>Cincinnati Insurance Co.</u></b>		
<b>Bid Price:</b>	<b><u>\$1,571,641.00</u></b>		

cc: Gary Mader, Utilities Director  
Burhl Gilpin, Assistant Utilities Director  
Dale Shotkoski, Purchasing Agent  
Laura Berthelsen, Legal Assistant



RESOLUTION 2003-207

WHEREAS, the City of Grand Island invited sealed bids for Installation of Circuit Breakers, according to plans and specifications on file with the Purchasing Division of the Legal Department; and

WHEREAS, on July 1, 2003, bids were received, opened and reviewed; and

WHEREAS, E.A. Pedersen Company of Omaha, 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 \$1,229,344; and

WHEREAS, E.A. Pedersen Company's bid is less than the engineer's estimate for such project.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of E.A. Pedersen Company of Omaha, Nebraska, in the amount of \$1,229,344 for installation of circuit breakers is hereby approved as the lowest responsible bid.

BE IT FURTHER RESOLVED, that a contract between the City and such contractor be entered into for such project; and the Mayor is hereby authorized and directed to execute such contract on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 22, 2003.

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RaNae Edwards, City Clerk

Approved as to Form	☐ _____
July 18, 2003	☐ City Attorney