



City of Grand Island

Tuesday, April 11, 2006

Council Session

Item G18

#2006-114 - Approving Bid Award for Transmission Line and Substation Engineering Services - Utilities Department

Staff Contact: Gary R. Mader; Dale Shotkoski

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Dale Shotkoski, Asst. City Attorney/Purchasing

Meeting: April 11, 2006

Subject: Award of Transmission Line and Substation Engineering Services

Item #'s: G-18

Presenter(s): Gary R. Mader, Utilities Director

Background

The Electric Department has electric distribution substations connected at various distances along a 115 kV transmission loop. The loop generally runs along the outer edge of the urban area, providing power to the substations and providing power supply redundancy by use of the looped configuration. Substations reduce voltage from the 115,000 volt level to 13,800 volts for distribution to individual customers across the City. Substations "E," located north of Swift on the east side of the loop, and "F," located north of Menards on the west side of the loop, are the newest substations. They were placed in initial service in 2001. And will be fully expanded in 2007. The City and its electric demand continue to grow.

Power Generation and regional interconnections to NPPD are concentrated on the south side of the transmission system loop. The northern portion of the transmission loop has no interconnections. And while it can sustain a single line segment loss contingency any additional failure could result in loss of several major substations, resulting in power loss to major portions of the City. With power plant and regional grid interconnections, the southern portion of the transmission loop has more redundancy.

Recognizing that the City is continuing to grow, that future transmission line construction will occur and that reliability improvement is always important, Substations "E" and "F" were constructed with provisions to accept additional 115 kV transmission interconnections. In the long range plan of the Electric Department, these substations are designed for new transmission interconnections as future load growth may require.

Discussion

The transmission system improvements and substation additions are crucial, interrelated elements of the electric system. It is advantageous to combine planning, routing, right of way acquisition, financing, engineering and construction of these major components in a single long-term project, which might take up to ten years for completion. The Electric Department is not staffed for undertakings of this magnitude.

Therefore, a Request for Proposals to provide Transmission Line and Substation Engineering Services was advertised in the February 11, 2006 issue of the *Grand Island Daily Independent*. In addition to the public advertising, proposals were solicited from six qualified engineering firms.

Proposals were received on March 28, from HDR Engineering of Billings, Montana and Advantage Engineering of Chesterfield, Missouri. These were evaluated by the three staff engineers who will be most involved with the project. They unanimously concurred that the proposal from Advantage Engineering was the superior of the two. The criteria by which the proposals would be evaluated was provided to all prospective providers in the RFP.

The summary of the evaluation results is attached for reference.

Payments are based on hours worked at rates furnished with the proposal. Advantage Engineering furnished a “not to exceed” price of \$2,383,000; including a 5% annual increase in labor rates. The contract form proposed by Advantage Engineering has been reviewed by the Legal Department. A copy of the Contract is attached for reference.

During the previous ten years, Advantage Engineering has performed several transmission line improvement projects along with the additions of Substations “E” and “F.” The Electric Department staff is entirely satisfied with the quality of their work.

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 accept the Advantage Engineering March 2006 Proposal for Transmission Line and Substation Engineering Services for a “not to exceed” amount of \$2,383,000.

Sample Motion

Motion to approve the March 2006 Proposal from Advantage Engineering of Chesterfield, Missouri and that the Mayor be authorized to sign the Contract for Professional Services.

Bid Evaluation of Transmission & Substation Engineering Service Proposals

3-Apr-06

Advantage Engineering		Burhl	Jeff	Travis	Average
Criterion	Score	Score	Score	Score	Score
1. Not to Exceed Amount	10	0	14	8.0	
2. Proposal Responsiveness	16	16	18	16.7	
3. Company Experience/ References	12	16	14	14.0	
4. Personnel Experience / References	9	10	9	9.3	
5. Commercial Terms	9	8	8	8.3	
6. Hourly Rates	8	8	9	8.3	
7. Multipliers for pass through services	9	10	8	9.0	
Total - Advantage Engineering		73	68	80	73.7

HDR		Burhl	Jeff	Travis	Average
Criterion	Score	Score	Score	Score	Score
1. Not to Exceed Amount	16	0	16	10.7	
2. Proposal Responsiveness	8	16	14	12.7	
3. Company Experience/ References	18	18	18	18.0	
4. Personnel Experience / References	8	8	8	8.0	
5. Commercial Terms	7	8	7	7.3	
6. Hourly Rates	6	8	7	7.0	
7. Multipliers for pass through services	5	5	5	5.0	
Total - HDR		68	63	75	68.7

CONTRACT FOR PROFESSIONAL SERVICES

THIS CONTRACT, between City of Grand Island, Nebraska ("Company"), and Advantage Engineering, Inc., of St. Louis, Missouri, ("Consultant");

WITNESSETH: That in consideration of the mutual covenants herein contained, the Consultant agrees to perform professional services hereinafter outlined in connection with engineering and related support services for projects.

SECTION 1 - SCOPE OF WORK

- A. The work to be performed shall be defined in a mutually agreeable scope-of-work or job description including a schedule of completion. There are no requirements on amount of work inclusive of small jobs of a few hours to larger jobs of many hours. The work will be performed at the locations detailed in the scope-of-work.
- B. The Consultant shall provide all services and incidentals included in the scope-of-work or job description. The company agrees to pay the consultant at the billing rates and in accordance with the billing policies indicated in Exhibit A.
- C. Supplemental services and incidentals not included in the scope-of-work or job description must be authorized in writing by the Company's designated representative.
- D. Invoicing and payment will be as set out below:
 1. Consultant will invoice Company, on a monthly basis, based on amount of work completed and expenses expended in the prior month. Invoices will include names, hours worked, and a summary of reimbursable expenses.
 2. Invoices from AE shall be sent to:

Grand Island Utilities Department
Att: Mr. Burhl Gilpin
700 E. Bischeld Street
Grand Island, NE 68801
 3. Invoice payments by customer shall be sent to:

ADVANTAGE ENGINEERING, INC.
Attn: Accounts Receivable
769 Spirit of St. Louis Blvd.
Chesterfield, MO 63005

4. Consultant's invoices will be paid by Company no later than 30 days after receipt of correct invoice.

SECTION 2 - CONSULTANT'S RESPONSIBILITY

Consultant shall perform the services hereunder in accordance with the standards imposed by custom and law upon professional engineers and/or architects. Consultant shall be an independent contractor in the performance of the services hereunder.

SECTION 3 - DAMAGE TO COMPANY PROPERTY

Consultant shall compensate Company for any damage to Company property due to any breach of contract or tortuous conduct by the Consultant, its officers, agents, employees, contractors or subcontractors on the Company's premises.

SECTION 4 - INDEMNIFICATION

Consultant shall indemnify, save harmless and defend Company from and against any and all liabilities, claims, penalties, forfeitures, suits, and the costs and expenses incident thereto (including costs of defense, settlement and reasonable attorney's fees), which it may hereafter incur, become responsible for or pay out as a result of death or bodily injuries to any person, destruction or damage caused to property, contamination of or adverse effects on the environment, or any violation of governmental laws, regulations or orders, caused, in whole or in part, by (i) Contractor's breach of any term or provision of this contract; or (ii) any tortuous act of Consultant, its officers, agents, and employees.

SECTION 5 - PATENT INDEMNIFICATION

Consultant shall acquire all rights or licenses necessary to be utilized by Consultant for all designs or process involved in the proposal. Consultant shall defend, indemnify and hold Company harmless from any and all claims, liabilities, costs and expenses, including without limitation, attorneys' fees resulting from any claim that any designs or processes used by Consultant under this Agreement or any part thereof constitutes an infringement of any patent of the United States or any other country.

SECTION 6 - INSURANCE

- A. Without limiting the scope or extent of the protection afforded the Company or the liabilities assumed by the Consultant herein, Consultant shall obtain and maintain in force for the entire life of this Contract the following minimal insurance:

1. Consultant agrees to maintain public liability and property insurance to cover the obligations set forth above. The minimum insurance limits of

liability shall be \$1,000,000 bodily injury and property damage.

2. Commercial general liability insurance on the premises and services covered by this Contract and specifically including, without limitation, products/completed operations and contractual liability insurance to cover the liability assumed by Consultant at SECTION 4, with combined single limits, per accident, of not less than \$50,000 for bodily injury, including death and property damage, with an annual aggregate of not less than \$1,000,000; and
 3. Workmen's Compensation insurance with statutory limits and employer's liability insurance with limits of not less than \$1,000,000 and
 4. Professional liability insurance with limits of not less than \$1,000,000; and
 5. Comprehensive Auto Liability insurance which has minimum limits for bodily injury of \$1,000,000 per person, \$1,000,000 per accident and property damage of \$1,000,000 per accident or equivalent combined single limits per occurrence. The comprehensive Auto Liability policy shall include owned and blanket non-owned and hired coverage.
- B. Consultant shall, before the commencement of any work, furnish Company with a certificate from an insurance carrier acceptable to Company stating that policies of insurance listed above and that such policies are in force. All such certificate(s) shall state that the insurance carrier(s) will give Company thirty (30) days prior written notice (by first class mail) of any cancellation or material change in such policies.

SECTION 7 - SCHEDULE

The services to be performed under this contract shall be completed as required in the scope-of-work or job description. Any services of Consultant not specially set out in the scope-of-work or job description shall be performed in a timely and expedient manner.

SECTION 8 - PRODUCTS OF SERVICES

All information, reports, drawings, and other materials resulting from this Contract shall be the property of the Company, and the Company shall have the right to use such materials for any purpose whatsoever, or to dispose of all or any part of such materials by any means whatsoever.

SECTION 9 - CONFIDENTIALITY

Consultant agrees to keep confidential during and subsequent to the period of this Contract all information and materials provided by Company or prepared by Consultant in performance of this Contract.

The foregoing is not intended to prohibit disclosures to the extent reasonably required to carry out the contracted services.

SECTION 10 - COMPLIANCE WITH LAWS

Consultant shall observe and abide by all applicable laws, federal, state, and any subdivision thereof, and the rules and regulations and orders of any lawful regulatory body acting thereunder in connection with the services performed hereunder.

SECTION 11 - ASSIGNMENT

Consultant shall not assign or transfer this Contract or any part hereof without Company's prior written consent.

SECTION 12 - APPLICABLE LAW

This Contract shall be interpreted according to Nebraska law.

SECTION 13 - TERMINATION

Company reserves the right to suspend or terminate all or any portion of the work under this Contract at any time upon notice to the Consultant. In such event Company will pay Consultant's reasonable charges through the effective date of termination.

SECTION 14 - AUDIT

For any work performed, the Consultant's correspondence, records, vouchers and books of account, insofar as they pertain to cost made for Company's account under this Contract, will be open at reasonable times to Company's inspection and audit.

SECTION 15 - WAIVERS

The failure of Company to insist upon or enforce, in any instance, strict performance by Consultant of any of the terms of this Contract or to exercise any rights herein conferred shall not be constructed as a waiver or relinquishment to any extent of Company's rights to assert or rely upon such terms or rights on any subsequent occasion.

SECTION 16 - DESIGNATED REPRESENTATIVES

The company's designated representative is Mr. Burhl Gilpin. The Consultant's designated representative is Steven E. Spencer, President. Either party may change its designated representative by notice to the other in writing signed by its then designated representative or by a corporate officer.

SECTION 17 - ENTIRE AGREEMENT

This Contract, along with exhibits incorporated herein constitute the entire agreement between the parties and supersede any prior representations, offers, negotiations, or understandings between the parties with respect to the subject matter hereof. This Contract may not be modified except in writing signed by the parties' designated representatives or corporate officers.

IN WITNESS WHEREOF, the parties have executed this agreement to be effective on the date last below written.

ADVANTAGE ENGINEERING, INC.

City of Grand Island, NE

By *Dan Schwab*
Dan Schwab
Steven E. Spencer
President *vice President*

By _____
Mayor

Date *3-23-06*

Date _____

Attest: _____
City Clerk

Date: _____

The contract is in due form according to law and is hereby approved.

Attorney for the City

Date: _____

EXHIBIT A
BILLING POLICIES AND RATES

Direct Advantage Engineering expenses incurred including, but not limited to travel, subsistence, and vehicle expenses will be billed at cost. All outside services that are subcontracted such as right-of-way acquisition services, survey Services, soil borings, and NPPD studies will be billed at cost plus a 3.5% handling fee.

The following is a summary of AE employee billing rates who could be billed to the city during the course of the project. Billings would be monthly for actual work performed in the prior month.

2006 Billing Rates Valid Through December 31, 2006*

<u>EMPLOYEE NAME</u>	<u>EMPLOYEE RATE</u>	<u>BILLING CLASSIFICATION</u>
Steve Spencer	\$116.50	Engineer 8
Dan Schwab	\$111.00	Engineer 7
Barry Smith	\$120.00	Engineer 8
Richard Gu	\$ 99.50	Engineer 6
David Gaskins	\$ 93.00	Engineer 6
Dale Bachle	\$105.50	Engineer 9
Henry Litzsinger	\$ 62.00	Technician 13
Paul Richard	\$ 63.50	Technician 14
Tony Harness	\$ 51.00	Technician 8
Michael Gibbs	\$ 55.00	Technician 11
Deb Seiver	\$ 32.50	Drafter 3

Automobile mileage would be billed at the current Internal Revenue Service's allowable rate, presently \$0.445 per mile.

Use of Advantage Engineering, Inc., CAD computer facilities and survey equipment will be charged as follows:

\$30.00/day - Survey Equipment – Total Station \$15.00/day - Grounding Tester

\$3.00/Hour – On line time for PLS-CADD use and Computer Aided Drafting Services

***Billing rates will increase for all future years at the rate of 5.00% per year.**

EXHIBIT A
BILLING POLICIES AND RATES (cont.)

Blue prints, mylars, bond papers, plots and coping would be charged as follows at AE's cost.

<u>XEROX</u>		<u>BLUE LINE</u>
<u>PAPER SIZES</u>	<u>UNIT COST</u>	<u>UNIT COST</u>
8 ½ x 11	\$ 0.08	\$0.25
11x17	\$ 0.12	\$0.50
25x33	\$ 6.00	\$0.60
30x42	\$ 8.75	\$0.85
34x44	\$10.40	\$1.05

<u>CHECK PLOTS (B&W)</u>		<u>FINAL PLOTS (vellum & color)</u>
<u>PAPER SIZES</u>	<u>UNIT COST</u>	<u>UNIT COST</u>
8 ½ x 11	\$2.50	\$3.00
11x17	\$5.00	\$7.00
24x36	\$5.00	\$7.00
30x42	\$5.00	\$7.00
34x44	\$5.00	\$7.00

EXHIBIT B
COATES FIELD SERVICE, INC.
BILLING POLICIES AND RATES

The following rates apply for subcontracted right-of-way acquisition services supplied by Coates Field Service, Inc.

2006 Billing Rates Valid Through December 31, 2006*

<u>Classifications</u>	<u>Daily Rate**</u>
Right of Way Supervisor	\$528.00
Title Supervisor	\$488.00
Document Specialist	\$425.00
Right of Way Agent	\$465.00
Abstractor	\$450.00
Secretary/Clerk	\$236.00
Automobile – Current Approved IRS Rate	\$0.445 per Mile

The above rates are based upon a standard 5 day, 40 hour workweek and include all taxes, insurance, employee benefits, automobile, overhead and profit.

Should employee be required to be away from his or her permanent home, per diem living expenses will be billed on a calendar day basis at the Federal Conus rates for the location to which such employee is assigned, such rate to be agreed upon prior to assignment.

Project related "out of pocket expenses" will be billed at cost plus the 3.5% handling fee when supported by original receipts, such as parking, road tolls, filing fees, photocopies, postage, and express overnight mail, cellular telephone, computers, notary fees, etc.

***Billing rates will increase for all future years at the rate of 5.00% per year.**

**** All rates do not include a 3.5% handling fee**

13.0

Schedule

Once awarded the project and the scope for each portion of the project and study has been defined, AE will prepare a detailed schedule for each part of the project.

AE has the resources and capabilities to begin work on the study portion of the project immediately after award of a contract by the City of Grand Island.



Dale M. Shotkoski, Assistant City Attorney

*Working Together for a
Better Tomorrow, Today*

**REQUEST FOR PROPOSAL
FOR
TRANSMISSION LINE AND SUBSTATION
ENGINEERING SERVICES**

RFP DUE DATE: March 28, 2006 at 4:00 p.m.

DEPARTMENT: Utilities

PUBLICATION DATE: February 11, 2006

NO. POTENTIAL BIDDERS: 6

SUMMARY OF PROPOSALS RECEIVED

HDR Engineering, Inc.
Billings, MT

Advantage Engineering, Inc.
Chesterfield, MO

cc: Gary Mader, Utilities Director
Burhl Gilpin, Assist. Utilities Director
David Springer, Finance Director
Laura Berthelsen, Legal Assistant

Bob Smith, Assist. Utilities Director
Gary Greer, City Administrator
Dale Shotkoski, Purchasing Agent

P1067

RESOLUTION 2006-114

WHEREAS, the City of Grand Island invited proposals for Transmission Line and Substation Engineering Services in accordance with a Request for Proposals on file at Phelps Control Center; and

WHEREAS, proposals were received, reviewed and evaluated in accordance with established criteria; and

WHEREAS, Advantage Engineering of Chesterfield, Missouri, submitted a proposal in accordance with the terms of the request for proposals and all statutory requirements contained therein and the City Procurement Code, such proposal being for hourly rates as identified in the proposal (including a 5% annual increase in labor rates), with a not to exceed amount of \$2,383,000; and

WHEREAS, Advantage Engineering has successfully completed numerous transmission line improvement projects in the past for the Utilities Department.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the proposal of Advantage Engineering of Chesterfield, Missouri, for transmission line and substation engineering services for hourly rates as identified in the proposal (including a 5% annual increase in labor rates), with a not to exceed amount of \$2,383,000 is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute an agreement for such services on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, April 11, 2006.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
April 6, 2006 ☐ City Attorney