



City of Grand Island

Tuesday, February 26, 2008

Council Session

Item G6

**#2008-59 - Approving Bid Award for Transmission Line Work,
Utilities Department - Contract #08-PCC-01**

Staff Contact: Gary R. Mader; Wesley Nespor

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Wesley Nespor, Asst. City Attorney/Purchasing

Meeting: February 26, 2008

Subject: Award of Contract for Transmission Line Work -
Contract #08-PCC-01

Item #'s: G-6

Presenter(s): Gary Mader, Utilities Director

Background

The Electric Department has electric distribution substations connected at various distances along a 115,000 volt 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. A map of the transmission system is attached for reference. 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 completed in 2007.

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.

Advantage Engineering (AE) of Chesterfield, Missouri was hired in April of 2006 to begin the planning, routing, right of way acquisition, financing, engineering and

construction of the additional interconnections to substations “E” and “F”. This Transmission Study was presented at the City Council meeting of January 8, 2008.

Discussion

AE evaluated several options to provide a new interconnection to Substation “E”. The most cost effective option is the re-termination of an existing transmission line between Grand Island and NPPD. This line currently connects Grand Island’s substation “H”, located on Cherry Street, to NPPD’s Grand Island substation located two miles east of town. Re-connecting this line to Substation “E” is a fairly minor change affecting only one span of the line. In addition, fiber optic communication is included in the contract, be installed the entire length of the line to provide for new protective relaying and communications among the substation, NPPD and GI Control Center.

The re-termination and fiber installation for this line accomplishes two things. First, it provides the third connection to substation “E” and strengthens the reliability of the 115 kV system to the north. Secondly, it upgrades the thirty-five year old protective relaying with modern relaying.

An advertisement for bids to provide Transmission Line Work was placed in the January 14, 2008 issue of the Grand Island Independent. In addition, bids were solicited from three electrical contractors.

Bids were received and publicly opened February 11, 2008. Two bids were received as tabulated below.

<u>Bidder</u>	<u>Bid Price</u>
Kayton Electric, Inc., Holdrege, NE	\$236,499.00
Schmader Electric, Inc., West Point, NE	\$179,642.25

Both bids were less than the engineer’s estimate. Schmader Electric has successfully performed contract transmission line work in the past for Grand Island Utilities.

Alternatives

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

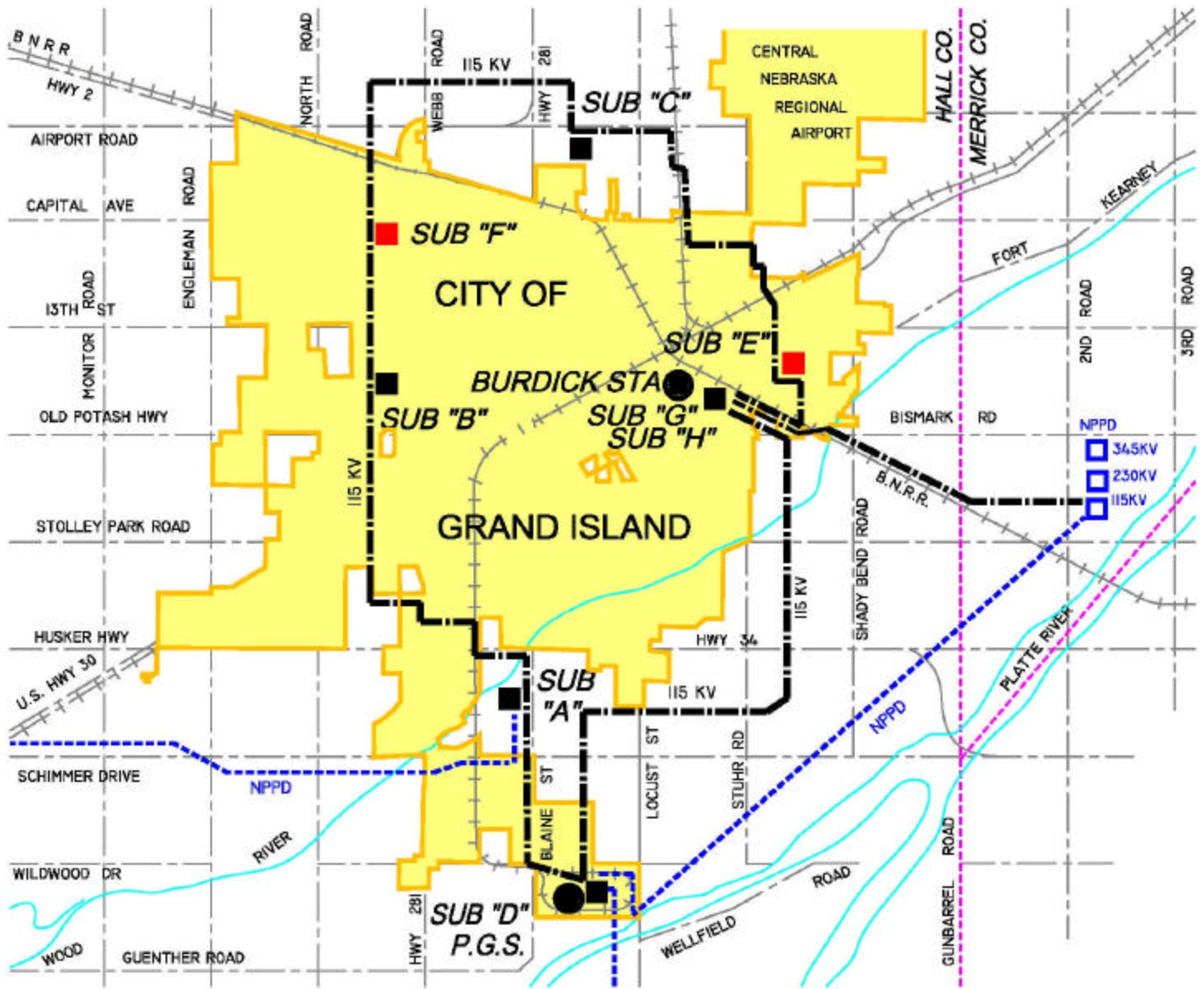
1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to a future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council award the contract for Transmission Line Work, Contract #08-PCC-01 to Schmader Electric in the amount of \$179,642.25.

Sample Motion

Move to award the contract for Transmission Line Work to Schmader Electric, Inc., in the amount of \$179,642.25.



LEGEND

- EXISTING CITY POWER PLANTS
- EXISTING CITY 115KV SUBSTATION
- EXISTING CITY 115KV TRANSMISSION LINE
- EXISTING NPPD 115KV SUBSTATION
- - - EXISTING NPPD 115KV TRANSMISSION LINE

CITY OF
GRAND ISLAND
UTILITIES DEPARTMENT



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: February 11, 2008 at 11:00 a.m.

FOR: Transmission Line Work – Contract #08-PCC-01

DEPARTMENT: Utilities

ESTIMATE: \$282,000.00

FUND/ACCOUNT: 520

PUBLICATION DATE: January 14, 2008

NO. POTENTIAL BIDDERS: 3

SUMMARY

Bidder:	<u>Schmader Electric Construction Co.</u>	<u>Kayton Electric, Inc.</u>
	West Point, NE	Holdrege, NE
Bid Security:	United Fire & Casualty Co.	Federal Insurance Co.
Exceptions:	None	None
Bid Price:	\$179,642.25	\$236,499.00

cc: Gary Mader, Utilities Director
Travis Burdett, Assist. Utilities Director
Dale Shotkoski, City Attorney
Sherry Peters, Legal Secretary

Bob Smith, Assist. Utilities Director
Pat Gericke, Utilities Admin. Assist.
Wes Nespor, Assist. City Attorney
Jeff Pederson, City Administrator

P1221

RESOLUTION 2008-59

WHEREAS, the City of Grand Island invited sealed bids for Transmission Line Work, Contract #08-PCC-01, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on February 11, 2008, bids were received, opened and reviewed; and

WHEREAS, Schmader Electric Construction Co. of West Point, 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 \$179,642.25; and

WHEREAS, the bid of Schmader Electric Construction Co. is less than the estimate for the Transmission Line Work, Contract #08-PCC-01.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Schmader Electric Construction Co. of West Point, Nebraska in the amount of \$179,642.25 for Transmission Line Work, Contract #08-PCC-01 is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, February 26, 2008.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
February 21, 2008	☐ City Attorney