



City of Grand Island

Tuesday, September 8, 2015

Council Session

Item G-5

#2015-236 - Approving Bid Award for Transmission Line 1064B Upgrade

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting: September 8, 2015

Subject: Approving Transmission Line Work L1064B

Presenter(s): Tim Luchsinger, Utilities Director

Background

Earlier this year, Black & Veatch completed an Electric System Master Plan that evaluated the entire Grand Island Electric System over a twenty year period to determine if there were any inadequacies in reliably supplying customer load. One of the resulting recommendations of that Master Plan is an upgrade to 115 kV transmission line 1064B located northeast of the City. In addition, Line 1064B has been flagged as potentially overloaded within the next several years by Southwest Power Pool (SPP). SPP is the regional transmission organization that, among other duties, ensures the reliability of the transmission system in the area. A Line 1064B upgrade has been planned for several years. Due to the recent developments, it has been determined to proceed with this upgrade.

Discussion

Bids were received on August 25, 2015 for the contract labor and materials for the rebuild of approximately 3 ½ miles of the 115 kV transmission line between Substation C and the north side of the Union Pacific rail line asset of the City. Due to work that was completed several years ago, the remainder of the line has already been upgraded.

The five bids received were:

<u>Bidder</u>	<u>Bid Price</u>
Ward Electric Company, Inc., of Longmont, Colorado	\$1,553,767.10
IES Commercial, Inc., of Holdrege, Nebraska	\$1,741,883.50
Watts Electric Company of Waverly, Nebraska	\$1,938,420.01
Hooper Corporation of Madison, Wisconsin	\$2,035,661.49
Probst Electric, Inc., of Herber City, Utah	\$2,355,465.34

Ward Electric Company, Inc. had the lowest bid. Upon review of their bid, the following concerns were discovered:

1. Ward failed to include the required steel pole design data and drawings in their bid as required in the bid specifications.
2. Ward failed to include the required completed "Contractor's Proposed Stringing Equipment" worksheet in their bid.
3. The key personnel Ward intends to use on the project do not have adequate experience as compared to other bidders.
4. Ward's list of similar projects included only two and both were completed four to five years ago.

IES Commercial's bid was the second lowest bid received. A review of their bid and additional information received indicated the following:

1. Grand Island Utilities has first-hand experience with IES. IES recently completed the construction of the seven mile 115 kV Transmission Line 1369 to the northwest of the City. This construction is identical to what is being specified for the Line 1064B rebuild. This was a very positive experience.
2. IES was careful to ask several detailed questions during their site visit. This indicated a better familiarity with the project and the challenges that may come from it.
3. The IES bid package was much more complete with additional information and references.

Based on a review of the bids received, Utilities staff recommends that the City award the contract for Transmission Line Work L1064B with IES Commercial, Inc. in the amount of \$1,741,883.50, as the lowest compliant bid. IES Commercial's bid is below the engineer's estimate of \$3,000,000.

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 contract for Transmission Line Work L1064B with IES Commercial, Inc., in the amount of \$1,741,883.50.

Sample Motion

Move to approve the contract for Transmission Line Work L1064B with IES Commercial, Inc., in the amount of \$1,741,883.50.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: August 25, 2015 at 2:00 p.m.
FOR: Transmission Line Work L1064B - Contract #15-PCC-01
DEPARTMENT: Utilities
ESTIMATE: \$3,000,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: July 24, 2015
NO. POTENTIAL BIDDERS: 4

SUMMARY

Bidder:	<u>IES Commercial, Inc.</u> Holdrege, NE	<u>Ward Electric Company, Inc.</u> Longmont, CO
Bid Security:	National Union Fire Ins. Co.	International Fidelity Ins. Co.
Exceptions:	None	None
Bid Price:	\$1,741,883.50	\$1,553,767.10
Bidder:	<u>Hooper Corporation</u> Madison, WI	<u>Watts Electric Company</u> Waverly, NE
Bid Security:	Liberty Mutual Ins. Co.	Universal Surety Co.
Exceptions:	None	None
Bid Price:	\$2,035,661.49	\$1,938,420.01
Bidder:	<u>Probst Electric, Inc.</u> Herber City, UT	
Bid Security:	Federal Insurance Co.	
Exceptions:	None	
Bid Price:	\$2,355,465.34	

cc: Tim Luchsinger, Utilities Director
Marlan Ferguson, City Administrator
Stacy Nonhof, Purchasing Agent

Travis Burdett, Assist. Utilities Director
William Clingman, Interim Finance Director
Pat Gericke, Utilities Admin. Assist.

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RESOLUTION 2015-236

WHEREAS, the City of Grand Island invited sealed bids for Transmission Line Work L1064B – Contract #15-PCC-01, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on August 25, 2015, 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 \$1,741,883.50; and

WHEREAS, the bid of IES Commercial, Inc., is less than the estimate for Transmission Line Work L1064B – Contract #15-PCC-01.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of IES Commercial, Inc., in the amount of \$1,741,883.50, for Transmission Line Work L1064B – Contract #15-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, September 8, 2015.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
September 4, 2015	☐ City Attorney