



# **City of Grand Island**

**Tuesday, September 14, 2010**

**Council Session**

## **Item G11**

**#2010-245 - Approving Bid Award for Installation of Fiber Optics  
Cable - Contract 2010-OPGW-IV**

**Staff Contact: Gary R. Mader**

# **Council Agenda Memo**

**From:** Gary R. Mader, Utilities Director  
Dale Shotkoski, City Attorney  
Mary Lou Brown, Finance Director

**Meeting:** September 14, 2010

**Subject:** Bid Award for Installation of Fiber Optics Cable  
Contract 2010-OPGW-IV

**Item #'s:** G-11

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

## **Background**

The City has been in the process of installing a fiber optics network connection between City Hall and off-site City Divisions for over five years. These past projects included: City Hall to the Phelps Control Center; the Waste Water Treatment Plant; the Safety Center; with connections to the Burdick Power Plant and PGS. The subject contract would continue the process to provide increased network bandwidth to remote division buildings. A map of the project route is attached.

This project provides for a 48 fiber OPGW (optical ground wire) cable and ADSS (all-dielectric self-supporting) aerial cable from City Hall to the Water Department and the Electric Line Department. Upon completion, the project would also provide fiber access to the Street Department, Shop/Garage, and Electric Underground Division buildings. OPGW is installed in the static wire position of the electric distribution system at the top of the power poles, above the 13,800 volt conductors. ADSS is installed at the communication position on power poles, below the power lines similar to cable TV cables. The specifications required that OPGW be used for this project.

## **Discussion**

This is a joint project between the Finance Department Information Technology Division and the Utilities Department. Contract specifications were advertised in accordance with City Procurement Codes, and six firms obtained copies of the bidding documents. Bids were received and publicly opened at 2:15 p.m. on August 12, 2010.

Schmader Electric Construction Company, Inc., submitted a bid as originally specified and proposed an alternate. No other bids were received.

Schmader's alternate bid was the lowest at \$104,061.00. The proposed alternate would construct the project using ADSS aerial cable. It was reviewed and does not comply with the construction requirements. Their proposal would require obtaining a new permit from the Union Pacific Railroad for the cable to cross the railroad tracks at Sycamore Street. This would delay the start of the project eight to ten weeks and require payment of yearly fees to the railroad for the crossing. Over the technology's life span, these crossing fees could total more than the cost of the project. The alternate bid is evaluated as not compliant with the specifications.

Schmader's base bid is compliant with the specifications but was for \$200,738.00. This amount is in excess of the budgeted amount of \$140,000. Therefore, negotiations were initiated to modify the project to lower the project's total cost, while still being able to meet the intent of providing the needed network accessibility to the remote locations.

These discussions were favorable. The project as negotiated provides for OPGW being installed along Sycamore Street to accomplish the crossing of the railroad, with ADSS cable being installed along the remainder of the route. The negotiated contract amount is \$116,583.00. This price will provide for the needed materials and installation. The modified project does not require any additional permits and will meet the requirements for network capacity to remote City locations. It is also less than the budgeted amount and can be completed within the planned time frame.

## **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 award Contract 2010-OPGW-IV, Installation of Fiber Optics Cable, to Schmader Electric Construction Company, Inc., of West Point, Nebraska, in the negotiated amount of \$116,583.00. The price is below the total project estimate and the modified construction still meets the specified operational requirements.

## **Sample Motion**

Move to approve the contract for Installation of Fiber Optics Cable to Schmader Electric Construction Company, Inc., of West Point, Nebraska in the negotiated amount of \$116,583.00.



*Purchasing Division of Legal Department*  
**INTEROFFICE MEMORANDUM**



Jason Eley, Purchasing Agent

*Working Together for a  
Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** August 12, 2010 at 2:15 p.m.

**FOR:** Contract 2010-OPGW-IV Installation of 48-Fiber OPGW  
Shield Wire

**DEPARTMENT:** Utilities

**ESTIMATE:** \$140,000.00

**FUND/ACCOUNT:** 520

**PUBLICATION DATE:** August 3, 2010

**NO. POTENTIAL BIDDERS:** 5

**SUMMARY**

**Bidder:** Schmader Electric Construction Co, Inc  
West Point, NE

**Bid Security:** United Fire and Casualty Company

**Exceptions:** None

**Bid Price:** \$200,738.00

**Alternate Bid Price:** \$104,061.00

cc: Gary Mader, Utilities Director  
Dale Shotkoski, City Attorney  
Jeff Pederson, City Administrator  
Tom Barnes, Eng. Mgr.

Bob Smith, Asst. Utilities Director  
Jason Eley, Purchasing Agent  
Pat Gericke, Utilities Admin. Assist.  
Robyn Splattstoesser, IT Supervisor

**P1427**

RESOLUTION 2010-245

WHEREAS, the City Electric Department invited sealed bids for Installation of Fiber Optics Cable to connect City Hall and off-site City Divisions; and

WHEREAS, on August 12, 2010, bids were received, opened and reviewed; and

WHEREAS, Schmader Electric Construction Company, Inc., of West Point, Nebraska was the sole bidder, and a contract was negotiated to provide for the needed materials and installation 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 \$116,583.00; and

WHEREAS, the negotiated bid of Schmader Electric Construction Company, Inc., of West Point, Nebraska, is less than the estimate for Installation of Fiber Optics Cable.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Schmader Electric Construction Company, in the amount of \$116,583.00 for Installation of Fiber Optics Cable to provide a network connection between City and Hall and off-side City Divisions, 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 14, 2010.

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Margaret Hornady, Mayor

Attest:

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RaNae Edwards, City Clerk

Approved as to Form	☐ _____
September 10, 2010	☐ City Attorney