

City of Seward, NE
Tuesday, December 15, 2015
Regular Session

Item G6

**CONSIDERATION OF AWARDING BID FOR ROBERTS
STREET AREA DISTRIBUTION UPGRADES - Larry Ruether &
Olsson Associates Engineer Garrett Klein**

Administrative Report: This project includes: 1) rebuilding approximately 5,300 feet of distribution pole line as double circuit, with 45' typical pole size and back to back 3-phase spacer cable circuits; 2) rebuilding approximately 1,600 feet of distribution pole line as double circuit; 3) replacing approximately ten pole-type distribution transformers; and, 4) rebuilding one segment of 34.5 kV pole line.

This project was originally estimated at \$450,000. On October 20, 2015, based on the engineer's recommendation to rebid the project, the City Council rejected the only bid received, which was \$692,875.

The engineer's adjusted estimate was \$504,000. The lowest bid of \$571,800 is 13% above the engineer's estimate. The bidders indicated the project is more time-consuming than the engineer projected. If awarded to the low bid, the project has a December 2016 estimated completion date. It is the intent of the City to bond the costs of this project.

Following review and discussion, a motion to award the bid to Schmader Electric in the amount of \$571,800 would be appropriate.

Staff Contact:



December 7, 2015

Mayor and City Council
City of Seward
c/o Bruce Smith, City Administrator
P.O. Box 38
Seward, Nebraska 68434

Re: Bid Tabulation and Contract Award Recommendation
Roberts Street Area Distribution Upgrades – REBID
Seward, Nebraska – 2015-2016
Olsson Project No. 010-0017,118

Mayor Eickmeier and Members of the City Council:

Bids for the subject project were opened at the Seward City Offices at 2:00 pm on Thursday, December 3, 2015. Three (3) bids were received as shown on the attached bid tabulation and summarized below:

<u>Bidder</u>	<u>Bid Price</u>	<u>Final Completion Date</u>
Schmader Electric	\$ 571,800.00	Dec 31, 2016
IES Commercial, Inc	\$ 683,030.00	May 27, 2016
Ward Electric Company, Inc	\$ 790,869.00	May 31, 2016

Our estimate, presented to the City Council at the October 20, 2015 meeting, was \$504,000. The apparent low bid is 13% higher than the estimate. Based on the responses to the project’s initial advertisement and the re-bid, contractors have viewed the work as more time-consuming than our estimate projected.

Olsson Associates has experience with Schmader Electric on several previous projects, including a similarly-sized contract for City of Seward in 2012. Our experience with Schmader has been favorable. It is our understanding that the Seward Light Department has been satisfied with Schmader’s work.

Schmader’s proposed completion date is much later than the other bidders. Though an earlier completion date would be preferred, the delay does not present any issues beyond the additional months that the existing facilities remain in service. In our opinion, the savings with the Schmader proposal compared to the other bidders is worth the delay.

Based on the bid amounts and our experience with the apparent low bidder, we recommend award of the Roberts Street Area Distribution Line Upgrades contract to Schmader Electric of West Point, Nebraska, for the bid amount of \$571,800.00.

Sincerely,

Garrett L. Klein, P.E.

cc Larry Ruether, City of Seward
Bonnie Otte, City of Seward via email

601 P Street, Suite 200
P.O. Box 84608
Lincoln, NE 68508-2303

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TEL 402.474.6311
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CONTRACTOR	Schmader Electric Const Co Inc 1743 Hwy 275 West Point, NE 68788	IES Commercial Inc. P.O. Box 27 Holdrege, NE 68949	Ward Electric Company, Inc 3690 Stagecoach Rd. Longmont, CO 80504		
BASE BID - LUMP SUM BID PRICE: Bid price shall include Nebraska sales tax (5.5%) and contingency allowance of \$25,000. Furnish all labor, services, supervision and tools necessary for the following: a) Rebuild approximately 5,300 feet of distribution pole line as double circuit, with 45' typical pole size and back-to-back 3-phase spacer cable circuits (one 4.16 kV and one 12.47 kV). b) Rebuild approximately 1,600 feet of distribution pole line as double circuit, with 45' typical pole size, including one new 12.47 kV spacer cable circuit and one transferred 4.16 kV circuit. c) Replace approximately ten (10) pole-type distribution transformers, replace or relocate/transfer two (2) group-operated switches, and transfer three (3) capacitor banks as part of items 1 and 2. d) Rebuild one segment of 34.5 kV pole line, including three (3) poles 65' and 70' lengths. 34.5 kV poles include distribution underbuilds. e) Removals and other miscellaneous work as shown on the Drawings.	\$571,800.00	\$683,030.00	\$790,869.00		
Substantially Complete On or Before:	December 15, 2016	May 13, 2016	January 26, 2016		
Complete and Ready for Final Payment On or Before:	December 31, 2016	May 27, 2016	May 31, 2016		
Addendum No. 1	Yes	Yes	Yes		
Bid Guarantee:	5% Bid Bond	5% Bid Bond	5% Bid Bond		
Remarks:					

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