

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO authorize the Municipal Administrator to execute a purchase order for a time and equipment contract not to exceed \$750,000 to Chatham Electric, Inc. to assist in Electric Department infrastructure improvement work to include the capital projects listed below:

- No. 90645 Kramer to Granite Creek distribution line rebuild,
- No. 80003 feeder improvements,
- No. 90611 Blue Lake to Green Lake fiber optic cable for SCADA improvements,
- No. 90562 Green Lake Power Plant improvements
- No. 90594 Blue Lake Project
- No. 90672 Medvejie transformer and substation replacement
- No. 90410 SCADA system enhancements



Memorandum

July 21, 2015

To: Mark Gorman, Municipal Administrator
From: Jeff Wheeler, Acting Utility Director - Electric Department
Subject: Time and Equipment Contract – Chatham Electric, Inc.

Request:

This is to request Assembly approval of a time and equipment contract, not to exceed \$750,000 for Chatham Electric Inc. to assist in Electric Department infrastructure improvement work on capital projects No. 90645 - Kramer to Granite Creek Distribution Line Rebuild, No. 80003 - Feeder Improvements, No. 90611 – Blue Lake to Green Lake Fiber Optic Cable for SCADA Improvements, No. 90562 - Green Lake Power Plant Improvements, No. 90594 - Blue Lake Project, No. 90672 - Medvejie Transformer and Substation Replacement, and No. 90410 SCADA System Enhancements. This request is in accordance with SGC 3.16.060 “Exceptions to the competitive bidding requirements” (D) and (I), “Procurement of consultant and technical services” and “Specialized equipment for enterprise funds where standardization is a primary criteria.”

Purpose:

The capital projects were approved in the FY2016 capital projects budget. Some of the more significant benefits of rebuilding or upgrading our power delivery components are improved system reliability, correcting existing National Electric Safety Code violations, and enhancing public safety.

Chatham Electric currently has a crew and equipment in town assisting our crew to finish work on the Blue Lake Expansion Project. Augmentation of our line crew with Chatham Electric’s line crews, stockpiling of all needed materials prior to commencing work, in-house innovative engineering design, and judicious use and supervision of their services will result in very important projects getting completed on time and significantly under budget.

Funding:

We currently have over \$5 million in approved capital projects for Fiscal year 2016 (not including the Blue Lake Expansion Project). It is our intent to utilize a time and equipment based contract to assist our crews in completing these tasks during the FY2016 construction season. All required materials and supplies will be provided by the Electric Department.

Utilizing the Chatham Electric line crew in conjunction with our department line crew will provide the capability to finish the most critical line work at a reasonable cost. Chatham Electric’s current rate sheet is attached. Work accomplished by Chatham Electric will be charged to the appropriate capital account.

Recommendation:

Recommend the Assembly approve a Purchase Order for a time and equipment contract, not to exceed \$750,000 to Chatham Electric Inc. to supplement the Electric Department line crew for work on the aforementioned capital projects and to authorize the Municipal Administrator to execute a Purchase Order on behalf of the Assembly.