



Memorandum

March 29, 2011

To: Jim Dinley, Municipal Administrator
From: Christopher Brewton, Utility Director - Electric Department
Subject: Electric Line Construction – Chatham Electric Inc.

Request

In accordance with SGC 3.16.060(I), this is to request Assembly approval of a time and equipment contract, not to exceed \$600,000, for Chatham Electric Inc. to assist in line construction work on Capital Project No. 90645 – HPR to Kramer Line Riser.

Purpose:

The HPR Line Upgrade project was approved in the FY2010 Capital Budget and must be completed prior to next winter due to increasing system load in this area. This critical distribution project will replace undersized conductors on the 12.47 kV circuit that supplies electric energy to the majority of Halibut Point Road. In addition, 39 poles along HPR will be replaced, several of which are approaching 50 years old and are exceeding normal service life. Undersized conductors pose two particular problems; risk of the line burning down, especially during a fault condition, and higher line losses. Replacement of the existing 1/0 (242 Amps) and 4/0 ACSR (357 Amps) conductors with larger 397.5 AAC (570 Amps) conductors will significantly increase the line rating and reduce line losses resulting in system energy savings. A third benefit of rebuilding this line is improved reliability during storm conditions as well as correcting existing National Electric Safety Code violations.

Chatham Electric currently has a crew and equipment in town finishing up work for the Electric Department that was approved at the Assembly meeting of September 14, 2010. As noted in my memorandum of September 8, 2010, Blue Lake Ring Buss and HPR line upgrades were considered the most critical projects. The Blue Lake Ring Buss project was budgeted at \$709,000 and was successfully completed at a total cost of \$196,144. Augmentation of our line crew with Chatham Electric crews, good weather, stockpiling of all needed materials prior to commencing work, in-house innovative engineering design, and judicious use of overtime resulted in a very important project completed on time and significantly under budget.

The Chatham Electric crew that worked on the Blue Lake project will remain on the HPR project and I have every expectation this will be a successful project as well.

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Funding:

The HPR Line Upgrade was budgeted at \$920,000 and to date approximately \$15,000 has been expended for the project.

It is our intent to utilize a time and equipment based contract to assist our crew in completing this project during the FY2011 summer construction season. All required materials and supplies will be provided by the Electric Department.

Utilizing the Chatham Electric line crew that will be in town 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. Please note the \$6,300 mobilization charge is waived for this project. 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 \$600,000, to Chatham Electric Inc. to supplement the Electric Department line crew for work on the Capital Project No. 90645 – HPR to Kramer Line Riser and to authorize the Municipal Administrator to execute a Purchase Order on behalf of the Assembly.

Cc: Dave Wolff, Finance Director
Colleen Ingman, Municipal Clerk

2011 Sitka Electrical Department Wage Rate Proposal

Chatham Electric, Inc. Electrical Line Construction Work

Line Construction Hourly Rates:

	Hours 1-8	Hours O/T	Additional Hours
1. Foreman	\$125.27 /hour	\$186.58 /hour	\$168.65
2. Journeyman	\$120.40 /hour	\$177.93 /hour	\$160.15
3. Journeyman	\$120.40 /hour	\$177.93 /hour	\$160.15
4. Apprenticeship	\$ 70.14 /hour	\$100.79 /hour	\$ 84.32
5. Flagman	\$ 70.14 /hour	\$100.79 /hour	\$ 84.32
6. Equipment	\$ 21.00 /man hour	\$ 21.00 /man hour	\$ 21.00 /man hour
Regular Total	\$527.35 /hour		

Mobilization

7. Mobilization \$6,300.00 Lump sum per sub-project

Contractor shall work a minimum 60-hour week, unless winter daylight hours prohibit. Contractor shall not work less than 55-hour week in winter daylight hours.

The equipment includes:

- Boom Truck
- Bucket Truck
- Backhoe
- Flatbed
- Small Tools

The equipment rate provides for equipment normally used in conventional distribution line construction and light transmission construction on the road system. The equipment rate excludes specialized equipment such as but not limited to helicopters, excavators, dozers, dump trucks, loaders, pushers, specialty cranes, pile drivers, marine equipment, blasting equipment, and asphalt/concrete saw. The aforementioned list is not intended to be a complete list of the excluded items. The apprentice will be billed at their percentage of foreman rate, rounded to nearest half dollar. The flagman rate is based on using an apprentice. The flagman rate may be negotiable provided the dispatched flagman is working out of classification.

The apprentice rate shall be determined by the applicable percentage of the Foreman Lineman rate.

The rates exclude high time, hot time, and hazardous time.

The 1% State of Alaska / Department of Labor fee based on total contract cost (not to exceed \$5,000.00), shall be submitted at the end of the contract year for direct cost reimbursement.