



Legislation Details (With Text)

File #: 22-0986 **Version:** 1
Type: Change Order & Work Order **Status:** Passed
File created: 8/18/2022 **In control:** City Council
On agenda: 9/6/2022 **Final action:** 9/6/2022
Title: Approve the award of Change Order #1 to Option Year Two of Contract 20-028, Insulated Conductors, to The Okonite Company for an amount not to exceed \$791,600 and a total award of \$2,991,600

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
9/6/2022	1	City Council	approved	

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Change Order #1 to Option Year Two of Contract 20-028, Insulated Conductors, to The Okonite Company for an amount not to exceed \$791,600 and a total award of \$2,991,600

DEPARTMENT: Electric Utility

SUBMITTED BY: Brian Groth, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The purpose of this contract is to purchase underground electric cable which is inventoried at the Electric Service Center warehouse. The cables procured under this contract are of various types and sizes and are used in capital and maintenance projects by the Electric Utility (Utility) to ensure reliable service to its customers.

The City Council awarded Contract 20-028 to Okonite on May 19, 2020 for a one-year term from May 19, 2020 to May 19, 2021, with two, one-year options to extend. The second one-year extension was approved in May of 2022.

DISCUSSION:

This change order is requested to add additional funds to the contract to provide for the purchase of 34.5 KV cable. In the past four months the Utility has had two incidents where outside contractors have directional bored into the 34.5 KV underground tie lines the Utility uses to connect its substations and provide alternate sources of power if cables fail or a substation has an outage. The

last incident involved the tie line to Edwards hospital.

Utility management has determined that additional inventory is needed for this type of cable as it is a specialty item and requires a lead time of nine to 12 months to obtain. This is an unplanned purchase and was not included in the original estimates for the 12 months of the contract extension but is deemed necessary due to recent events.

FISCAL IMPACT:

CIP#: N/A

Insulated conductor purchases are expensed to the Operating Supplies account listed below. A total of \$4.0 million was budgeted for Electric Warehouse Supplies in 2022, of which \$2.4 million has been expended through August. The requested change order can be accommodated in the 2022 budget. The City is reimbursed when a third-party damages infrastructure, such as underground electric lines. Those reimbursements offset the additional cost.

Account Number	Fund Description	Total Budget Amount
40101300-541407	Operating Supplies	\$4,000,000