



## Legislation Text

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File #: 18-086, Version: 1

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### **CITY COUNCIL AGENDA ITEM**

#### **ACTION REQUESTED:**

Approve the award of Change Order #1 to Contract 16-244, Cable Injection Services, to Novinium Inc. for an amount not to exceed \$1,600,000 and a total award amount of \$3,600,000, plus a 3% contingency

**DEPARTMENT:** Electric Utility

**SUBMITTED BY:** Mark Curran, Director

#### **BOARD/COMMISSION REVIEW:**

NA

#### **BACKGROUND:**

On June 21, 2016, the City awarded Contract 16-244 for injection services to Novinium in the amount of \$2,000,000 for a 3-year period, with two one year options. Anticipated spending was \$500,000 in 2016, \$700,000 in 2017 and \$800,000 in 2018.

Cable injection has proven to be a viable component of asset management for the Electric Utility (CIP EU52). It has become a cost-effective measure in maintaining the reliability and longevity of the City's underground electrical system. This has become more evident when used in our residential areas where the underground conductors were initially installed over 30 years ago. These areas are experiencing an increase in power outages due to deteriorating insulation on conductors nearing the end of their life span. Replacing the aged failing conductors with new conductors would require extensive construction, either via very intrusive open trenching or less intrusive, but more expensive, directional boring. This construction and cost can be avoided by injecting the cable with the patented fluid that rejuvenates the cable insulation into an almost new condition, providing an extended life to the cable and a 25-year warranty against failure.

The Electric Utility has used this technology previously in Wil-O-Way, University Heights, Brook Crossings, Columbia Estates, Pembroke Greens, Hobson Village, Hunters Woods, and Countryside subdivisions. These areas were prioritized based upon rate of cable failures, number of customers affected, outage length, and other reliability metrics. By performing cable injection at an average cost of approximately \$11.00 per foot, there is a 73% savings over traditional cable replacement of approximately \$40.00 per foot. Approximately forty miles of cable has successfully been injected to date on this contract.

#### **DISCUSSION:**

Current spend on this contract is at \$1,400,000 through the end of 2017, \$200,000 more than originally planned. In order to accommodate the additional \$200,000 in spend, funds were reallocated

from other underground and overhead projects. The remaining \$600,000 will be spent in 2018, one year prior to the contract expiration date.

Because of the desire to maintain the reliability and longevity of our underground electrical system and success of this program, the Electric Utility recommends continuing injecting cables in Brookdale, Old Creek, Farmington, Riverwoods, Heritage Knolls, Naper Carriage Hill and Orleans subdivisions. To maintain this schedule, a change order is necessary in the amount of \$1,600,000; \$1,000,000 for 2018 and \$600,000 for the remainder of the contract term in 2019. If the change order is approved, planned dollars for other underground replacements will be shifted to injection.

**FISCAL IMPACT:**

CIP #: EU52 - Cable Replacement Program

CIP# EU52 is budgeted in the infrastructure account listed below. The requested award of \$1,600,000 is within the budgeted amount for 2018 and will be programmed into 2019.

<b>Account Number</b>	<b>Fund Description</b>	<b>Total Budget Amount</b>
40251300-542412	Electric Utility Fund	\$10,612,000