



Legislation Text

File #: 19-489, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Option Year One to Contract 16-244, Cable Injection Services, to Novinium, Inc. for an amount not to exceed \$1,300,000

DEPARTMENT: Electric Utility

SUBMITTED BY: Lucy Podlesny, Deputy Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

Cable injection has proven to be a viable component of asset management for the utility. It is a cost-effective measure in maintaining the reliability and longevity of the 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 utility has used this technology in areas that include Wil-O-Way, University Heights, Brook Crossings, Columbia Estates, Pembroke Greens, Hobson Village, Hunters Woods, Countryside, Buttonwood, Brookdale, and Hobson West Subdivisions. These areas were prioritized based upon rate of cable failures, number of customers affected, outage length, and other reliability metrics.

On June 21, 2016, the City awarded Contract 16-244 to Novinium, Inc. in the amount of \$2,000,000 for a three-year period, with two one-year options. In 2018, a change order was approved to provide an additional \$1,600,000. To date, approximately \$2.6 million has been expensed for this project. It is anticipated that another \$250,000 will be expended before the end of the contract term. The Electric Utility did not expend the full \$3.6 million award amount because work was halted between August 2018 and February 2019 to control capital spending. Additional resources were needed for work associated with the underground maintenance (EU06) and cable rebuild (EU52) capital projects in order to effectively maintain the system.

DISCUSSION:

By performing cable injection at an average cost of approximately \$12.25 per foot, a 75% savings is

realized compared to traditional cable replacement, which is approximately \$49.00 per foot. Approximately seventy miles of cable has successfully been injected to date.

Because of the desire to maintain the reliability and longevity of the underground electrical system and success of this program, the Utility recommends continuing to inject cables located in Old Farm, Old Creek, Farmington, Riverwoods, Heritage Knolls, Naper Carriage Hill, and Orleans subdivisions. To maintain this schedule, it is necessary to award \$1,300,000 for the first option year.

The contract is extended one year from June 21, 2019 through June 20, 2020, with one option year remaining.

FISCAL IMPACT:

CIP #EU52 - Cable Replacement Program

The cost for cable injection services is budgeted in the infrastructure account listed below, with a total budget of \$10,214,000. This includes \$2.9 million allocated to EU52. Therefore, the amount expended this year will be within the budget with a similar amount projected to be budgeted in 2020 to cover the remainder of the one-year option award.

Account Number	Fund	Budget Amount
40251300-551502	Electric Utility	\$10,214,000