



Legislation Text

File #: 22-0020, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Bid 21-376, Transmission Pole Painting, to Morris Painting, Inc. for an amount not to exceed \$650,700 and for a one-year term

DEPARTMENT: Electric Utility

SUBMITTED BY: Brian Groth, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The Electric Utility ("Utility") owns 116 steel transmission structures throughout the City which support 138kV transmission cable at a height of 90-135 feet above ground. Maintenance of these structures includes ensuring the base of the tower is free of vegetation as well as regular cleaning, preparation, and painting. These structures are vital to ensuring a reliable electric supply for the City.

The work requires specialized contractors that follow strict safety procedures as most structures must be painted while the cable is still energized. The Utility has released several bids for this work since 2020 and had not received a bid from a qualified contractor to perform this work. The last time the City successfully bid and completed pole painting work was in 2018.

In November 2021, the Utility issued Bid 21-376, Transmission Pole Painting, to contract with a responsible and responsive vendor to supply all the labor and materials to prepare and paint 138kV energized steel transmission poles on the system. Due to the high-risk nature of the work, vendor responsibility was determined by requiring proof of recent safety training and confirming references from similar successful projects, including the City of Naperville.

DISCUSSION:

Advertisement Date:	11/17/2021	Notices Sent:	32
Opening Date:	12/21/2021	Planholders:	17
		Bids Received:	1

Bids were received from the following vendors:

Vendor Name	Proposed Cost
Morris Painting, Inc.	\$698,700

To determine the reason for receiving only one bid, staff contacted other plan holders. Four plan holders stated that they did not respond because they were not qualified to perform work on energized structures. Two plan holders only obtain the documents for subscribers of their referral platforms.

As stated above, the work that is a part of this bid is dangerous and highly specialized. There are few contractors qualified or willing to perform this type of work. This is evidenced by the fact that this project has been unsuccessfully bid several times. The sole bidder in this case, Morris Painting, is responsible, qualified and has successfully worked for the Utility in the recent past.

The average cost per pole as proposed by Morris was \$29,400. Staff successfully negotiated a \$2,000 per pole reduction from the proposed pricing for the 22 poles that are scheduled to be painted in the first year, reducing the average per pole cost to \$27,400. This represents a savings of \$44,000. For reference, the City paid on average \$22,257 per pole in 2018, a difference of approximately 18%.

The term of this contract is for one season from May 1, 2022 to October 31, 2022 with three, one-season options to renew through 2025.

FISCAL IMPACT:

CIP#: N/A

Transmission pole painting is expensed to the Equipment Maintenance account listed below. A total of \$250,000 has been budgeted for this expense in 2022. This expense will be accommodated by reductions in other Equipment Maintenance, Professional Services, and Capital expenses in 2022. In previous years, when we have not been able to contract pole painting, we used the underspend in those areas, so this year will be the reverse of that strategy.

Account Number	Fund Description	Total Budget Amount
40251300-531303	Electric Utility	\$320,000