

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: Rte. 38 Substation Switchgear Purchase Recommendation

Staff Contact: Blake Toliver, Superintendent of Electric Operations

Summary:

2/12/24 We are bringing this back to council due to an error on the bid cover sheet. The numbers were transposed, and the bid was entered as \$2,672,000 whereas the actual proposal was \$2,762,000. We are asking that the ordinance be amended and approved for the correct dollar amount.

The City received and opened bids on December 05, 2023 for the switchgear purchase, a part of the Rte. 38 Substation project. A total of one (1) bid was received and has been reviewed for completeness and ability to meet specification requirements.

Below is a summary of the total bid upon review of their documents.

Bidder	Total Bid Price	Alternate Option Adder	Lead Time
Avail/AZZ	\$2,762,000	\$637,000.00	77 weeks

The bid from Avail/AZZ was the only bid at \$\$2,762,000for Specification 2008K002, no major exceptions were listed. The bid does include material and labor escalator language since the leadtime is so long. Avail/AZZ has a good list of reference completed projects. The company appears to be in good standing and employs certified and trained craftsmen.

The low bid is over the Engineer’s estimate of \$1,800,000 for the contract. Unfortunately, electric utility materials continue to increase rapidly. The city does need to expand their system with this Rte. 38 substation, and we do not see pricing come down anytime soon. Therefore, BHMG recommends awarding the contract to Avail/AZZ for the supply of the switchgear and evaluate purchasing the adder later.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:
Electric Funds	\$11,900,000	\$2,762,000

Strategic Plan Goal Application: Infrastructure Effectiveness & Improvement.

Recommendation: Award the Rte. 38 Substation Switchgear Purchase to AZZ in the amount of \$2,762,000