

ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING

SUBJECT: Ordinance Awarding a Contract to Michels for the Ritchie to Centerpoint Line Construction.

Staff Contact: Blake Toliver Director of Electric Operations

Summary: BHMG Engineers, Inc. assisted the city with the competitive bidding process for the construction of the new 34.5kV transmission line connecting the Ritchie Road Substation to the new Centerpoint Substation. This project represents a key reliability investment for Rochelle Municipal Utilities by creating a direct transmission tie between two substations, improving redundancy, supporting system resiliency, and providing necessary capacity for future commercial and industrial growth in the western region of our territory.

The project was publicly advertised in accordance with required procurement procedures. The bid notice was published in the Rochelle News Leader and sent directly to 24 potential contractors. Of those contacted, 12 firms formally responded regarding their bidding intentions, resulting in four sealed bids being submitted and opened at City Hall on December 18, 2025.

The bids received were:

- Helm Electric – \$10,000,118.37 (Apparent Low Bid)
- Michels – \$11,890,929.51
- Intren – \$13,720,779.61
- JF Electric – \$15,694,174.00

BHMG conducted a detailed evaluation of the bids, including review of qualifications, project experience, and contractor references. While Helm Electric, the low bidder, submitted a compliant bid with no notable exceptions and received positive references, BHMG determined that Helm does not have a demonstrated track record completing projects of this size and complexity. Specifically, Helm has not previously constructed transmission projects involving 69kV infrastructure, large transmission-class poles, or comparable project length and technical requirements.

Given that this project will serve as a critical backbone to Rochelle's electric system and represents essential infrastructure that must be constructed correctly and to high reliability standards, BHMG identified the lack of direct experience as a significant project risk. They emphasized the importance of using a contractor with substantial, proven experience in similar transmission line work to avoid potential quality, schedule, or performance issues that could result in long-term operational and financial impacts.

The recommended bid amount of approximately \$11.89 million exceeds the April 2023 engineering estimate of \$7.99 million. BHMG noted that this variance reflects:

- Upgraded and more resilient line design to ensure long-term system stability
- Additional underground construction incorporated for aesthetic and security benefits
- Significant increases in material and construction market pricing since 2023

BHMG stated that the submitted bids are consistent with current industry pricing for this level of project design and construction.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:
Electric Funds	\$10,400,000	\$11,890,929.51

Strategic Plan Goal Application: CORE service Delivery, Infrastructure effectiveness and improvement

Recommendation: Approve an Ordinance Awarding a Contract to Michels for the Ritchie to Centerpoint Line Construction.