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| ITEM #: | <u>21</u>       |
| DATE:   | <u>09-10-24</u> |
| DEPT:   | <u>ELEC</u>     |

### **COUNCIL ACTION FORM**

**SUBJECT:        RAPID NEEDS PURCHASE FOR 161 KV TIE LINE REPAIR - APPROVE  
CHANGE ORDER #2**

**BACKGROUND:**

The City's Electric utility operates a 161kV transmission line between Ames and Ankeny. This line is a critical component of utility infrastructure to ensure reliable service to Electric Services customers. **On May 21, 2024, the transmission line was damaged by a destructive tornado in the vicinity of Ankeny. Eleven transmission poles were broken from the tornado, leaving the line out of service until replaced. To ensure that reliable electrical service could be maintained to the City's electric customers, immediate repairs were needed to re-establish this line. The repair work involved replacement of poles, restringing the conductor, and re-establishing the fiber communication link.**

**City staff decided to implement rapid need purchases for the materials and installation labor for the transmission poles. Per the Purchasing Policies & Procedures, a "rapid-need situation" occurs when materials and/or services could not have been predicted and must be procured in less than the normal allotted time in order to continue a service to the public".**

The City's Purchasing Policies & Procedures state that "if the cost of purchases related to [an] emergency or rapid need is \$50,000 or more, the using department shall maintain records" of the expenditure. It further states that the using department "shall report the situation and related expenses to the City Manager for presentation to the City Council. The report shall be in a format as directed by the City Manager."

**Following the authorization of this "Rapid Needs" purchase by the City Manager's Office, seven purchase orders were issued. Hooper Corporation, Milwaukee, WI, was issued one of these purchase orders for the installation of poles and necessary repairs. The Hooper purchase order was in the amount of \$100,000 (inclusive of sales tax). This amount was a preliminary estimate from City of Ames Electric Staff. Once Hooper Corporation was onsite and able to assess the damage in detail, Hooper provided an estimate of \$329,835.86 to perform the work. Change Order #1 was then issued, bringing the total to the \$329,835.86.**

**Following construction, Change Order #2 (This Action) totaling \$67,546.17 is now being requested to account for unexpected additional equipment rental costs required for the specific site conditions that Hooper could not anticipate ahead of construction. These additional funds are for actual time and materials, based on unit rates provided in the quoted rates sheet, material receipts, and subcontractor payments.**

**Except for minor cleanup and repairs, the necessary repairs are now substantially complete, and the 161 KV tie line has been returned to service. The repair costs will be paid from the Electric Fund available balance. As a follow-up to this action, City staff is seeking FEMA reimbursement for these expenses through the approved federal disaster declaration related to the storm.**

**ALTERNATIVES:**

1. Approve Change Order #2 in the amount of \$67,546.17, inclusive of tax, to Hooper Corporation, Milwaukee, WI, for repairs to the 161kV Transmission Line, Ames to Ankeny, due to the storm damage on May 21, 2024, increasing the project total with Hooper from \$329,835.86 to \$397,382.03.
2. Refer this item to staff for further information.
3. Reject this change order.

**CITY MANAGER'S RECOMMENDED ACTION:**

**To restore reliable electric service to the City's customers in the quickest manner possible following the May 21 tornado, the use of a rapid needs purchase was required. Repairs have been completed to critical electric infrastructure through this process and a report to the City Council is required. Change Order #2 is a balancing Change Order for actual time and materials.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.