



**Meeting Date:** September 19, 2016

**Consent Docket Item:** 2-b

**Report No.:** SUA-16-49

**Department:** Electric Utility

**Subject:** Expenditure limit increase: Transmission Line Steel Structures - SUA Bid #6-15/16

**Budget Impact:** This item requires no new appropriation or budget amendment and will not affect year-end projected balances. Funding is available in the Transmission System Modification project fund established in the electric Rate Stabilization Fund (RSF).

**Prior Council Action or Part of an Approved Project:** Yes

**Related Items:** [Transmission Line Steel Pole Recommendation](#)

Other than cancelling the project, the only alternative to approving the increased expenditure limit would be to direct staff to prepare a separate procurement package, solicit bids/quotes, and purchase the additional items from another vendor. This alternative would require additional expense to the project for bidding services as well as cause schedule delays. Trinity Meyer has already proven to be the low bidder and SUA currently has them under contract with agreed upon terms and conditions.

**Recommendation:** It is recommended that the Trustees approve an expenditure limit increase up to a total of \$582,000 to complete the purchase of the transmission line steel structures from Trinity Meyer Utility Structures.

**Prepared by:** Loren Smith, Electric Utility Director

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**Background Information:** On November 16, 2015, the Trustees awarded the bid to purchase transmission line steel structures to the lowest responsible bidder Trinity Meyer Utility Structures in the amount of \$508,617 and authorized expenditures from the RSF up to \$534,047 (included a 5% contingency). After execution of the contract, changes were necessary to account for the embedment depth of each steel pole. Due to the long lead time of steel poles and design specifications needed from each vendor, the embedment depth was issued as "to be determined" by vendor in the bid package. Each vendor made

estimates as to the typical embedment length; however, the final determination could not be made until soil testing was completed after the signing of the contract. A 5% contingency was added to the bid award to account for the final embedment depth. After the soil testing was completed, it was determined that due to the type of soil in this region, additional embedment depths would be required for each steel structure. Trinity Myer has provided an updated cost proposal that includes the correct embedment depth. The cost to have the correct size pole manufactured is over the original contingency amount. In order to purchase the correct length pole, the expenditure limit on this contract needs to be increased to \$582,000, for a total contingency of approximately 14.5% rather than the previously approved 5%. It is important to note that even with the increase Trinity Meyer remains the low bidder for the transmission line steel structures.

Manufacturer	Bid Price (\$)
Trinity Meyer Utility Structures	508,617
M. D. Henry Co.	638,771
SabreFWT	645,918
DIS-TRAN Steel, LLC	682,258
Valmont Newmark	848,335

The poles will be installed by Stillwater Electric Utility staff as part of transmission extension and modifications project (see attached map).