



City of Hudson, Ohio

Staff Report With Text

File #: 18-98 **Version:** 1 **Name:**

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File created: 7/2/2018 **In control:** City Council

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Title: A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH THOMPSON ELECTRIC, INC. FOR LABOR AND MATERIALS FOR THE CONSTRUCTION OF THE PROSPECT STREET SUBSTATION IMPROVEMENT PROJECT; AND DECLARING AN EMERGENCY.

Executive Summary: Staff is seeking the award of the construction labor and materials contract for the Prospect Substation Project and additional appropriations to finish the project. The original contract/budget amount for the Prospect Street Substation Project totaled \$2 million dollars. During the design/build phases of the project unforeseen conditions such as soil conditions, additional site work and the need for additional equipment and design changes resulted in unanticipated cost increases. In addition and the most impactful effect on the project budget were significant market increases in the municipal electric and steel industries which accounts for a 17% increase. Therefore, in addition to the award of the construction contract staff is requesting authorization of additional funds to complete the project.

Sponsors: David A. Basil

Indexes: Finance - Appropriations and Budget, Public Works - Electric

Code sections:

Attachments: 1. Bid Tabulation, 2. HPP Prospect Financials 7-3-18, 3. Prospect Substation Improvements Cost Analysis, 4. Resolution No. 18-98

Date	Ver.	Action By	Action	Result
7/24/2018	1	City Council	approved on the consent agenda	Pass
7/17/2018	1	City Council	first reading	
7/10/2018	1	City Council	item forwarded	

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Legislative History

Res. 16-190 Permission to bid 2018 projects

Res. 17-89 Authorization for design and construction management services

Res. 17-179 Award of electrical equipment and components-transformer
Res. 17-180 Award of electrical equipment and components-power control structure
Res. 18-69 Award of electrical equipment and components-breakers
Res. 18-70 Award of electrical equipment and components-regulators
Res. 18-79 Award of structural steel- electrical switches and resisters

Purpose & Explanation

This contract is for the Prospect Substation improvement project and covers the construction, installation, testing and commissioning services required to configure, construct and assemble the various substation components purchased for the rehabilitation of the substation. This contract was publically advertised per City Charter and the Public Works Department received 5 qualifying bids ranging from \$872,944.57 to \$1,645,808.54.

HPP staff and the consultant recommends awarding the above labor and materials contract to Thompson Electric at the **total contract amount of \$916,650.00 = [\$872,995.00 (Base bid) + \$43,655.00 (5% Contingency)]** as the lowest and best bidder.

Staff further requests a lump sum appropriation of \$591,720 from the electric fund to cover the project overages with contingency amount of 10%. A current detailed financial report for the project has been attached for review. Below is the percentage breakdown of the overage amount:

1. Unexpected conditions, additional equipment and Labor-\$250,000 = 12.5% of project
2. Market Increases in steel and construction labor-\$341,720 = 17% of project

Timing Considerations

Upon authorization to proceed by the City Council, the administration will award and enter into a contract with Thompson Electric Inc. for the above amount. Staff requests emergency legislation due to time and seasonal constructional limitations.

Fiscal Impact

Currently Budgeted

☒ Supplemental Appropriation Required (**\$591,720 from the Electric fund, to be included on next quarterly appropriations Ordinance**)
Appropriation Not Required.

Suggested Action

Staff recommends that City Council approve this Resolution authorizing the City Manager to award and enter into a contract with Thompson Electric Inc. 49 North Moreland Ave, Munroe Falls, Ohio 44262 at the contract amount of **\$916,650.00**. Staff further requests emergency language be included due to time and seasonal construction limitations.

Staff also requests a supplemental appropriation from the electric fund in the amount of \$591,720 which will be put on the July 17, 2018 Council meeting consent agenda.

Submitted by,

Jane Howington, City Manager

Frank J. Comeriato, Jr., Asst. City Manager - Operations

Kevin Powell, Asst. Public Works Director - Utilities