

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

July 21, 2004

ACTION REQUIRED

AGENDA ITEM NO. IX.C

<u> </u>	Information Only
<u> X </u>	Motion
<u> X </u>	Resolution
<u> </u>	Executive Session
<u> </u>	Other

TOPIC

Contract award for construction of the 138 kV transmission line from International Substation (IGT) to South Anchorage Substation.

DISCUSSION

Construction for the new South Anchorage Substation is scheduled to begin in the fall of 2004 and a transmission line has to be constructed to connect it to the transmission system at International Substation. The line is approximately three miles long and will be constructed primarily with steel structures on concrete pier foundations. Angle and dead-end structures will be self-supporting structures with no guy wires. Also included in this contract is a 1500 ft. long 34.5 kV double circuit of similar construction to connect to the existing sub-transmission line between Klatt and Campbell Substations at 100th Avenue. This segment accounts for approximately 15% of the contract costs.

Chugach received four bids from its pre-qualified contractors.

City Electric submitted the lowest responsive bid.

Contractor	Bid
City Electric	\$3,120,731.16
Norcon, Inc.	\$3,164,585.12
Redi Electric	\$3,352,009.47
PAR Electric	\$4,089,527.00

Negotiations with City Electric resulted in a reduction in the bid price to \$2,973,446.46.

The Engineer's estimate provided by our consultants, Dryden & LaRue was \$2,300,000. The higher bid amounts are primarily attributed to severe constraints placed on work within the Alaska Railroad's right-of-way, higher than expected costs for the concrete pier foundations, and higher than expected winter construction costs. The concrete foundations are up to eight feet in diameter and have a maximum depth of forty feet. These types of foundations are not common to Alaska and local cost data was not available. Chugach had anticipated to benefit from allowing a longer than usual completion time for the project and allowing work to take place through the winter season. This benefit did not materialize and larger projects in central and southeast Alaska are competing for contractor assets.

It is not anticipated that the overall project cost will be significantly affected by the higher construction costs. Use of the railroad right-of-way and un-guyed steel structures resulted in higher construction costs, but as a result, budgeted funds were not required for right-of-way procurement. Approximately \$700,000 earmarked for right-of-way procurement was not expended.

CEO's RECOMMENDATION

Recommend approval of the attached resolution awarding a contract to City Electric.

Motion: Move that the Chugach Board of Directors authorize the Chief Executive Officer to execute a contract for construction of a 138 kV transmission line from International to South Anchorage Substation to City Electric, in an amount not to exceed \$2,973,446.46.



RESOLUTION

WHEREAS Chugach Electric Association, Inc., (Chugach) has determined a necessity to construct a new bulk substation in south Anchorage, and

WHEREAS Chugach has determined that the new bulk substation shall be supplied with a new 138 kV transmission line from the International Substation, and

WHEREAS Chugach has included construction of this 138 kV transmission line in the 2004-2009 Capital Improvement Plan, and

WHEREAS Chugach has included funding in its 2004 annual operating budget for the new 138 kV transmission line, and

WHEREAS Chugach has solicited and received bids for the construction of the line from four bidders, and

WHEREAS Chugach has evaluated the bids and found City Electric to be the lowest, responsive and responsible bidder.

NOW THEREFORE BE IT RESOLVED by the Board of Directors of Chugach Electric Association, Inc., that the Chief Executive Officer is authorized to execute a construction contract with City Electric in an amount not to exceed \$2,973,446.46.

I, Pat Jasper, do hereby certify that I am that I am Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the ____ day of _____, 2004; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the ____ day of _____, 2004.

Secretary