

RESOLUTION 04-059

RESOLUTION OF THE CITY OF KETCHUM CITY COUNCIL ACCEPTING BIDS FOR INSTALLATION OF AN ELECTRICAL TRANSFORMER TO SERVE THE WASTEWATER TREATMENT PLANT, AND AUTHORIZING THE MAYOR TO AWARD THE BID TO WARBONNET ELECTRIC INC. FOR \$82,850

WHEREAS, the citizens approved funding for improvements to the Wastewater Treatment Plant, and

WHEREAS, the upgrade of electrical service to the plant is one of the first improvements to be installed according to the construction schedule, and

WHEREAS, the proposal from Idaho Power contained excessive ongoing costs that prompted going out to competitive bid, and

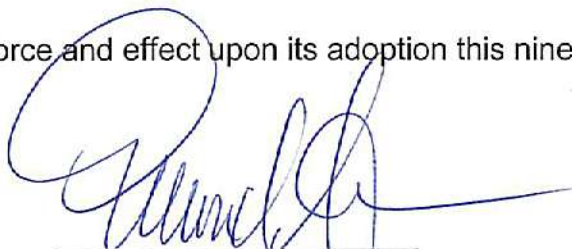
WHEREAS, the electrical transformer installation was bid in compliance with Idaho Code and the City received two (2) bids for this project: Warbonnet Electric (\$82,850) and Anderson & Wood Construction (\$89,859), and

WHEREAS, the consulting engineer and Utilities Manager reviewed and analyzed these bids, and further recommend the bid be awarded to Warbonnet Electric for \$82,850, and

WHEREAS, the consulting engineer recommends changing the pad mounted switch specified in the bid to a lower cost switch, at a savings of \$3,556, and that amount will be deducted through a subsequent change order,

NOW THEREFORE BE IT RESOLVED, that the Ketchum City Council approves the bid from Warbonnet Electric for the installation of an electrical transformer to serve the Wastewater Treatment Plant in the amount of \$82,850, and that the Mayor is authorized to execute the bid award.

This Resolution will be in full force and effect upon its adoption this nineteenth (19th) day of July, 2004.

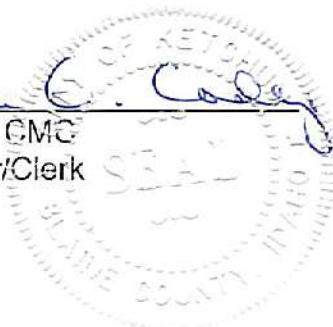


Edward Simon, Mayor

Attest:



Sandra Cady, CMC
City Treasurer/Clerk



THE STATE OF KENTUCKY
COUNTY OF BRYAN
I, the undersigned, Clerk of the County Court,
do hereby certify that the within and foregoing
is a true and correct copy of the original
as the same appears from the records of the
County Court.

Witness my hand and the seal of the County Court
at this office, this _____ day of _____
A.D. 19____.

Clerk of the County Court

Notary Public

Witness my hand and the seal of the County Court
at this office, this _____ day of _____
A.D. 19____.

Clerk of the County Court

[Handwritten signature]





City of Ketchum Utilities Department

MEMORANDUM

To: Mayor Simon and City Council
Ron LeBlanc, City Administrator

From: Steve Hansen, Utilities Manager

Re: Resolution 04-59, Bid Acceptance for Electrical Transformer
Installation at WWTP

Date: July 12, 2004

Issue

Consideration of bids for new electrical service and transformer at the Wastewater Treatment Plant.

Background

The City recently advertised for bids to install a new electrical service line and transformer at the wastewater treatment plant as part of the plant expansion approved by the voters in February 2004. Staff analyzed several approaches to accomplishing this task and determined it would be financially to our advantage to bid the project using an independent contractor rather than assigning the work to Idaho Power.

Idaho Power is regulated by the Department of Public Utilities Control and operates under a strict system of tariffs that control the activities of the Company and regulates the costs it can charge its customers. In this particular situation, Idaho Power was entitled under the current tariffs to recoup its costs for the project by adding a 1.7% surcharge to the monthly Wastewater Treatment Plant power bill. This surcharge would be applied indefinitely. By calculating the cost of the project and compounding the interest, the City would be paying for the project every 4.9 years!

The typical useful life of a transformer is 20+ years. It is in the best interest of the City to hire a private contractor install the service line and transformer, and assume the risk of ownership. Two bids were received: Warbonnet Inc. (\$82,850) and Anderson and Wood Construction (\$89,859).

Alternatives

1. Contract with Idaho Power for installation of this service line and transformer. Pay for this improvement by adding a 1.7% surcharge to the monthly power bills.
2. Award the bid to Warbonnet Inc. for \$82,850, accept a change order with a savings of \$3,556 for a different transformer.
3. Do nothing.

Recommendation

Staff recommends Alternative #2.