

COMMISSION FILE NO: 16-110-9 **DATE INTRODUCED:** September 12, 2016

INTRODUCED BY: Executive Director (Signature on File in the Office of the Commission)

REFERRED BY COMMISSION CHAIRPERSON TO: Operations Committee

RELATING TO: Executive Director Authorization for Future Contract Modifications, Contract J06065C07, Material Capital Repair or Replacement No. 953, Switchgear 2 Replacement

SUMMARY:

The Commission is requested to authorize the Executive Director to approve future modifications on Contract J06065C07, Material Capital Repair or Replacement (MCRR) No. 953, Switchgear 2 Replacement, in a cumulative amount not to exceed \$50,000.

The Solar turbines at the Jones Island Water Reclamation Facility (JIWRF) burn either landfill gas or natural gas to generate electricity. The generated electricity is then routed through switchgear equipment located in the Turbine Building to supply power to various pieces of equipment throughout JIWRF. Each switchgear is composed of several sections that contain monitoring and safety equipment and circuit breakers to stop or alter the flow of electricity.

A fire destroyed a portion of Switchgear 2 last fall. Switchgear 2 is unable to be used or repaired. Electricity is currently being rerouted through redundant switchgear and around Switchgear 2 to allow for continued operation of all systems.

Staff publicly bid and, using the Executive Director's authority to award contracts, awarded Contract J06065C07, Switchgear 2 Replacement, in the amount of \$99,500 to Next Electric, Inc. (Next). Next was the lowest responsible, responsive bidder. The purpose of this contract is to replace the destroyed switchgear section and to restore redundancy to the electric power distribution system. Staff issued a notice to proceed to Next for this contract in July 2016.

ATTACHMENTS: **BACKGROUND** ☐ **KEY ISSUES** ☐ **RESOLUTION** ☒
FISCAL NOTE ☒ **S/W/MBE** ☐ **OTHER** ☐ _____

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COMMITTEE ACTION: _____ **DATE:** _____

COMMISSION ACTION: _____ **DATE:** _____

SUMMARY (Cont'd)

Executive Director Authorization for Future Contract Modifications, Contract J06065C07, Material Capital Repair or Replacement No. 953, Switchgear 2 Replacement

The contract scope consists of:

- Procuring an in-kind replacement of the damaged switchgear section.
- De-energizing and locking out the damaged switchgear section.
- Removing the damaged switchgear section.
- Installing the replacement switchgear section.
- Starting up and testing the electric power distribution system.

The Commission has delegated to the Executive Director the authority to approve contracts less than \$100,000 without Commission approval, which was done for Contract J06065C07; however, under Commission Policy 1-78.08, in the event that the contract and cumulative modifications exceed \$100,000 in total, the Executive Director shall seek the approval of the Commission. There is reasonable chance that this could occur given that the contract value is only \$500 less than threshold for Commission approval. Even small modifications would require the contractor to stop work while staff requests the necessary authority from the Commission. This could result in contractor claims and additional costs to the District.

Per Commission Policy 1-78.02, the Executive Director has been delegated the authority to authorize up to \$50,000 in contract amendments for contracts awarded by the Commission that were originally less than \$500,000. This request to authorize the Executive Director to approve contract modifications in a cumulative amount up to \$50,000 is consistent with this Commission Policy.

RESOLUTION

Executive Director Authorization for Future Contract Modifications, Contract J06065C07, Material Capital Repair or Replacement No. 953, Switchgear 2 Replacement

RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that the Executive Director is authorized to approve future contract modifications in a cumulative amount up to \$50,000 for Contract J06065C07, Material Capital Repair or Replacement No. 953, Switchgear 2 Replacement.