



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title: Recommendation to Accept Bids and Approve
2011/2012 Cable Injection Contract

Presenter: Glynn Amburgey

Please check appropriate box:

<input type="checkbox"/>	Government Operations	<input checked="" type="checkbox"/>	Government Services 6/27/11
<input type="checkbox"/>	Planning & Development	<input type="checkbox"/>	City Council
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	

Estimated Cost:	\$250,000	Budgeted:	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
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If NO, please explain how item will be funded:

Executive Summary:

The cable injection program was very successful over the last two years and has allowed the City to reinforce our cable infrastructure at approximately half of the cost of cable replacement. There is also a customer service advantage with respect to a significant reduction of digging and required landscape restoration. Due to the positive performance and the cost savings that were realized, cable injection is again recommended, where possible, to reinforce our cable. Our cable reinforcement plan involves attempting injection first, and then replacing cable that is not able to be injected. Staff evaluates that a high pressure injection is advantageous and preferred. Novinium, the contractor for the past two years, provided the low evaluated bid. We have not had any cable failures related to cable injection, and we have utilized our test equipment on some of the spans, before and then after injection, to confirm that the cable insulation properties did actually improve.

Attachments: (please list)

Cable Injection Bid Tabulation, Cable Injection Options Document

Recommendation / Suggested Action (briefly explain):

Award contract to Novinium in the amount of \$250,000.

For office use only:

Agenda Item Number: 3.b.

Cable Injection Options

The two suppliers performing cable injection services have slightly different offerings.

As a means of comparison, a theoretical subdivision was proposed by the City and priced by the vendors. Utilizing the same process, both vendors submitted pricing on the theoretical subdivision. Novinium offered a lower price based on their cost of labor. This created the “apples to apples” comparison.

Utlix utilizes a two person contractor crew, which improves efficiency, but not by enough to overcome their added labor cost.

For the past two years, the City has been using a high pressure injection, offered only by Novinium.

High pressure injection has three significant advantages compared to low pressure injection:

1 – There is a safety advantage to high pressure injection. High pressure injection is completed in a single visit to the transformer. In contrast, low pressure injection requires that fluid reservoir bottles remain connected to the cable for a number of weeks. The bottles of fluid are flammable and create operational issues when switching and moving the cable.

2 – High pressure injection is more efficient from a labor perspective. As mentioned above, high pressure injection is completed in a single visit while low pressure injection requires a return visit to retrieve the reservoir bottles. Being able to inject a span of cable and not return weeks later to harvest the reservoir bottles allows better utilization of manpower.

3 – High pressure injection results in cable installation restoration within seven days as opposed to up to two years on low pressure.

Novinium is offering alternative pricing related to a multi-year agreement. The pricing would allow the City to take advantage of lower average pricing per injected foot.

Item	UTILX	Novinium
Theoretical labor	\$10,500.00	\$7,520.00
Per manhour	\$214.28	\$94.00
Theoretical material	\$20,800.00	\$21,200.00
Fluid	\$2.25	\$2.25
Elbow	\$70.00	\$80.00
Cold shrink	\$70.00	\$195.00
Turnkey per foot	\$6.94	\$4.00
Cost per completed term	\$70.00	\$195.00
Cost per completed elbow	\$70.00	\$80.00
Theoretical head to head cost	\$31,300.00	\$28,720.00

Analysis: UTILX utilizes a two man crew, thereby doubling their hourly labor rate in comparison to Novinium's hourly labor rate.

The numbers show that the second person does increase the efficiency and number of feet injected in a day; however, it is not double.

For direct comparison of low pressure cable injection, Novinium is lower cost.

Novinium alternative proposal:

Item	Novinium-Ultinium Fluid Material	Novinium- Ultinium - Labor	Novinium- Ultinium - Elbow
Customer Craft per foot (<9999 feet)	\$6.00	\$90	\$100
Customer Craft per foot (10,000 - 49,999 feet)	\$4.00	\$90	\$100
Customer Craft per foot (>50,000)	\$3.00	\$90	\$100

UTILX does not offer a high pressure injection.

Novinium multi year offer - volume reduction pricing would not start over each year, meaning we would start year 2 in the 10,000 to 49,999 range
 By year 3, we would most likely be in the lowest cost per foot category
 A 3% adder for labor would be applied in years 2 and 3.