

## COUNCIL ACTION FORM

**SUBJECT: AWARD OF CONTRACT FOR ELECTRIC DISTRIBUTION CABLE**

**BACKGROUND:**

This bid is for the purchase of various 1/0 aluminum EPR 15kV cable to meet the annual construction needs of the Electric Services Department.

This material is a standard Electric Services Department inventory item. Inventory items are purchased from an Electric Department inventory asset account and charged to the appropriate operations expense/project accounts as the materials are taken out of inventory and put into the various work orders.

Bids for these materials were received on March 6, 2008, as shown on the attached report. All bids for cable and wire are subject to reel length variances, usually 5% -10%, to allow for factory over/under runs during production. Most cable bids are also subject to metals adjustment due to the volatility of the metals market. Staff feels the additional cost for firm price bids outweigh the risk of metals escalation between now and delivery date of May 20, 2008 (see attached graph of price paid for this cable). Two firm-price bids were received. Other bids would be subject to metals pricing at the time of shipment.

The Electrical Engineering Manager has reviewed the bids and determined that the low firm-price bid meets the needs of the Electrical Services Department.

**ALTERNATIVES:**

1. Award a contract for the purchase of 1/0 aluminum EPR 15kV cable to the low firm price bidder, RESCO, Ankeny, Iowa, subject to reel length variances, at an estimated total cost of \$56,750.00 plus applicable sales taxes.
2. Award a contract for the purchase of 1/0 aluminum EPR 15 kV cable to RESCO, Ankeny, Iowa, subject to reel length variances and metals price escalation at the time of shipment, at a possible \$51,250.00 plus applicable sales taxes.
2. Reject all bids and delay Electric Services work orders.

**MANAGER'S RECOMMENDED ACTION:**

This purchase will provide for the annual construction needs of the Electric Services Department for 1/0 aluminum EPR 15 kV cable.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the award of contract to RESCO, Ankeny, Iowa, in the amount of \$56,750.00, plus applicable sales taxes, subject to reel length variances for the purchase of 1/0 aluminum EPR 15 kV cable.



INVITATION TO BID NO. 2008-136

March 6, 2008

Group One

Bidder	Unit price, 25,000 ft. 1/0 aluminum EPR 15kV cable	Subtotal	Total Including 7% Sales Tax	Notes
RESCO Ankeny, IA	\$2.0500	\$51,250.00	\$54,837.50	Subject to metals escalation
Crescent Electric Ft. Dodge, IA	\$2.2160	\$55,400.00	\$59,278.00	Subject to metals escalation
<b>RESCO Ankeny, IA</b>	<b>\$2.2700</b>	<b>\$56,750.00</b>	<b>\$60,722.50</b>	<b>Prices firm</b>
Cahoon Sales Iowa City, IA	\$2.3040	\$57,600.00	\$61,632.00	Prices firm
Wesco Des Moines, IA	\$2.3420	\$58,550.00	\$62,648.50	Subject to metals escalation

Historical Price Data Concerning Purchases of 1/0 Aluminum EPR 15kV Cable

