

ITEM #: 14
DATE: 9-22-09

COUNCIL ACTION FORM

SUBJECT: PURCHASE OF ELECTRIC TRANSMISSION UTILITY POLES

BACKGROUND:

This bid is to award a contract for the purchase of electric transmission poles necessary to meet the anticipated needs of the Electric Services Department for new construction and maintenance. Transmission poles are purchased from an Electric Department inventory asset account and charged to the appropriate operations accounts as the poles are put into use. Generally, over a million dollars in assets are available in the Electric inventory at any given time for use in new service and maintenance activities.

Under the proposed contract, transmission poles would be purchased as requested on a quarterly basis. This provides the City with flexible inventory management and helps to reduce the need for storage space. The proposed contract period would end August 31, 2010. This contract will be for one full year only. Bid prices are exclusive of sales taxes, which are applicable to the purchase of this equipment and are paid directly by the Utility. **No contract amount is being authorized at this time, since payments will be made as transmission poles are purchased.**

On September 3, 2009, two bids were received as shown on the attached report. The evaluation amount is based on unit prices and estimated quantities purchased in the past three years. The award amount is based on the estimated total evaluated cost. **McFarland Cascade bid the lowest unit costs for all of the required poles, and submitted prices on all of the poles.** The Electric Engineering Manager has reviewed the bids and determined that the lowest bid meets the needs of the Electric Services Department.

ALTERNATIVES:

1. Award a contract to McFarland Cascade, Neosho, Missouri, for the purchase of electric transmission utility poles in accordance with unit prices bid.

Poles are to be purchased as requested; and payments will be based on unit prices bid and actual quantities ordered plus applicable sales taxes.

2. Reject all bids and attempt to purchase electric transmission utility poles on an as needed basis.

MANAGER'S RECOMMENDED ACTION:

It is the recommendation of the City Manager that the City Council adopt Alternative No. 1 above, awarding a contract for the purchase of electric transmission poles to McFarland Cascade, Neosho, Missouri. Award of this contract will allow for a sure supply of transmission poles needed for new service and emergency replacements at a known cost. Transmission poles will be purchased as needed under this contract at the price quoted in this bid process.

**CITY OF AMES
IOWA**

**Electric Distribution
RFQ 2010-039
Group One**



McFarland Cascade

North Pacific

	Est Need	Unit Cost	Evaluated Cost	Unit Cost	Evaluated Cost
60 Foot class 1	0	\$1,901.00	\$0.00	\$1,712.00	\$0.00
60 Foot class 2	0	\$1,620.00	\$0.00	No quote	\$0.00
65 Foot class 1	5	\$1,483.00	\$7,415.00	No quote	\$0.00
65 Foot class 2	0	\$1,843.00	\$0.00	No quote	\$0.00
70 Foot class 1	5	\$1,706.00	\$8,530.00	\$2,060.00	\$10,300.00
70 Foot class 2	0	\$2,086.00	\$0.00	No quote	\$0.00
75 Foot class 1	5	\$1,988.00	\$9,940.00	\$2,386.00	\$11,930.00
75 Foot class H1	0	\$3,314.00	\$0.00	No quote	\$0.00
85 Foot class 1	0	\$3,924.00	\$0.00	No quote	\$0.00
85 Foot class 2	0	\$3,133.00	\$0.00	No quote	\$0.00
90 Foot class 1	0	\$4,543.00	\$0.00	No quote	\$0.00
Total Group Two			\$25,885.00		\$22,230.00
Delivery Time			28-42 days		8-10 days
Quantity for Full Truckload			41k lbs		15
Add'l freight per pole for less than truckload			\$41 - \$3202		\$140.00
Type			Pacific Coast Douglas Fir		Pacific Coast Douglas Fir
Notes			Add'l freight for mixed loads		Incomplete bid