

**COUNCIL ACTION FORM**

**SUBJECT:** RENEWAL OF CONTRACT FOR DISTRIBUTION CLASS WOOD  
UTILITY POLES

**BACKGROUND:**

This contract renewal is for the purchase of distribution class wood utility poles necessary to meet the anticipated needs of the Electric Services Department for new construction and maintenance. Distribution class wood utility poles are purchased out of 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 renewal, these utility 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, 2013. Bid prices are exclusive of sales taxes, which are applicable to the purchase of these poles and are paid directly by the Utility. **No contract amount is being authorized at this time, since payments will be made as poles are purchased.**

On August 4, 2009, six bids for distribution class wood utility poles 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. The lowest evaluated bid was found to be non-responsive and the second lowest bid was subject to monthly escalation/de-escalation based on several production factors.

The current vendor for distribution class poles has indicated willingness to renew the current contract with a 3% price increase for 2012. The Electric Engineering Manager has reviewed the bids and determined that the current contract pricing meets the needs of the Electric Services Department.

**ALTERNATIVES:**

1. Award a contract renewal to Baldwin Pole, Bay Minette, Alabama, for the purchase of distribution class wood utility poles in accordance with a 3% increase. Poles will be purchased and delivered as requested; and payments will be based on renewal pricing and actual quantities ordered.
2. Award a contract for purchase of wood utility poles to one of the other companies that submitted a responsive proposal.

3. Reject all bids and rebid the contract for the purchase of distribution class wood utility poles.
4. Reject all bids and attempt to purchase distribution class wood utility poles on an as-needed basis.

**MANAGER'S RECOMMENDED ACTION:**

Award of this contract will allow for a sure supply of distribution poles needed for new service and emergency replacements at a known cost. Distribution poles can be purchased as needed under this contract at the price quoted in this bid process.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract for the purchase of distribution class wood utility poles to Baldwin Pole, Bay Minette, Alabama.

**August 4, 2009**

**IFB 2009-248**

**Distribution Poles for Electric Services**

<b>Bidder</b>	<b>Estimated Total</b>	<b>Notes</b>
Koppers, Inc. Pittsburgh, PA	\$26,405.00	Non-responsive bid, offer form incomplete and unsigned
Thomasson Company Philadelphia, MS	\$26,800.00	Prices subject to monthly escalation/de-escalation
<b>Baldwin Pole Bay Minette, Alabama</b>	<b>\$27,250.00</b>	
Resco Ankeny, IA	\$28,014.80	Bid incomplete
McFarland Cascade Neosho, MS	\$28,355.00	
North Pacific Dierks, AR	\$29,067.35	Bid incomplete

**Contract Pricing**

<b>Size/Class</b>	<b>2012/13 Pricing</b>
30 Foot class 5	\$156.25
35 Foot class 5	\$201.65
40 Foot class 1	\$453.97
40 Foot class 3	\$358.96
45 Foot class 1	\$554.27
45 Foot class 3	\$411.74
50 Foot class 1	\$649.29
50 Foot class 3	\$490.92
55 Foot class 1	\$765.42
55 Foot class 3	\$570.11