

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACT TO FURNISH CABLE AND WIRE FOR THE ELECTRIC SERVICES DEPARTMENT

BACKGROUND:

This bid is for the purchase of 9,000 feet of 500 KCMIL cable and 2,000 feet of 4/0 wire to replenish inventory for the Electric Services Department. Both are kept on hand in order to insure availability. Typically, both are used to provide service for commercial and residential applications. It is also necessary to meet the anticipated needs of the Electric Services Department for new construction and maintenance.

On July 12, 2013, an invitation to bid (IFB) document was issued to twenty-three firms. The RFQ was advertised on the Current Bid Opportunities section of the Purchasing webpage.

On July 24, 2013, three bids were received as shown below:

BIDDER	BID PRICE	ALTERNATE*
WESCO Distribution Des Moines, IA	\$150,110.30	\$103,790.00
RESCO Ankeny, IA	\$115,183.90	
Bell Electrical Supply Co., Inc. Woodside, NY	Non- Responsive	

*The alternate bid is for Okonite's standard cable which is a non-strand-filled cable which is acceptable to the Electric Services.

After evaluation, staff determined that the bid submitted by Bell Electrical Supply Co., Inc. is non-responsive because they did not provide a bid from an approved manufacturer.

As a result, two bids remained for consideration. Staff has concluded that the apparent low alternate bid in the amount of \$103,790.00 (inclusive of Iowa sales tax) submitted by WESCO Distribution, Des Moines, IA, is acceptable.

The City Council should note that due to the metal content of this product, both bidders attached a metal escalation/de-escalation clause due to the volatile market for metal, which may adjust the price on the day the cable is ordered. While this is not an ideal situation for the City, this cable is necessary to the efficient operation of the utility.

ALTERNATIVES:

1. Award a contract to WESCO Distribution, Des Moines, IA, for the purchase of 500 KCMIL cable and 4/0 wire, in the amount of \$103,790.00 (inclusive of Iowa sales tax), subject to metals adjustment at time of order.
2. Award a contract to RESCO, Ankeny, IA, for the purchase of 500 KCMIL cable and 4/0 wire, in the amount of \$115,183.90 (inclusive of Iowa sales tax), subject to metals adjustment at time of order.
3. Reject all bids and attempt to purchase 500 KCMIL cable and 4/0 wire on an as needed basis.

MANAGER'S RECOMMENDED ACTION:

It is important to purchase cable and wire at the lowest possible cost with minimal risk to the City. It is also imperative to have both available to meet customer needs. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.