

COUNCIL ACTION FORM

SUBJECT: ALUMINUM CABLE PURCHASE FOR ELECTRIC SERVICES

BACKGROUND:

This bid is for the purchase of 30,000 feet of aluminum underground cable, which will be used to replenish inventory for the Electric Services Department. This cable is kept on hand in order to ensure availability of cable and to replace failed cable quickly. Typically, this cable is used to provide service for commercial and residential applications. The cable is also needed to meet the anticipated needs of Electric Services for new construction and maintenance.

On December 30, 2013, a request for quotation (RFQ) document was issued to forty-one firms. The RFQ was advertised on the Current Bid Opportunities section of the Purchasing webpage.

On January 7, 2014, two bids were received as shown below:

BIDDER	BID PRICE
WESCO Distribution Des Moines, IA	\$74,472.00
RESCO Ankeny, IA	\$77,527.92

Staff has reviewed the bids and concluded that the apparent low bid in the amount of \$74,472 (inclusive of Iowa sales tax) submitted by WESCO Distribution, Des Moines, Iowa, 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, inclusion of that clause is needed in order to secure a cable purchase contract.

ALTERNATIVES:

1. Award a contract to WESCO Distribution, Des Moines, Iowa, for the purchase of 30,000 feet of aluminum cable, in the amount of \$74,472 (inclusive of Iowa sales tax), subject to a metals adjustment at time of order.
2. Reject all bids and attempt to purchase aluminum cable on an as needed basis.

MANAGER'S RECOMMENDED ACTION:

It is important to purchase aluminum cable at the lowest possible cost with minimal risk to the City. It is also imperative to have cable 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.