

COUNCIL ACTION FORM

SUBJECT: PURCHASE OF ALUMINUM ELECTRIC UTILITY CABLE FOR ELECTRIC SERVICES

BACKGROUND:

This bid is for the purchase of 30,000 feet of aluminum underground electric cable which will 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 utility applications. It is also necessary to meet the anticipated needs of the Electric Services Department for new construction and maintenance. The cable will be purchased from an Electric Department inventory asset account and charged to the appropriate projects as the cable is 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.

On July 25, 2014, a request for quotation (RFQ) document was issued to thirty-three firms. The RFQ was advertised on the Current Bid Opportunities section of the Purchasing webpage.

For the due date of August 5, 2014, three bids were received as shown below:

BIDDER	BID PRICE
WESCO Distribution Des Moines, IA	\$74,472.00
RESCO Ankeny, IA	\$77,527.92
Supply Source Wire and Cable, Inc.	\$85,867.50

Staff has reviewed the bids and concluded that the apparent low bid in the amount of \$74,472.00 (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, bidders (RESCO and WESCO) 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 for the efficient operation of the utility.

ALTERNATIVES:

1. Award a contract to WESCO Distribution, Des Moines, Iowa, for the purchase of 30,000 feet of aluminum electric cable, in the amount of \$74,472.00 (inclusive of Iowa sales tax), subject to 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 electric utility 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.