

COUNCIL ACTION FORM

SUBJECT: **INVERTERS FOR POWER PLANT**

BACKGROUND:

Inverters convert direct current from plant batteries to a reliable supply of alternating 120 volt power for critical equipment power supply including power plant control computers and the city-wide IT servers. This bid is for the purchase of three inverters and bypass switches that are components of multiple inverter systems within the Power Plant. The portion of the Inverter System that these units are applicable to are the replacement of the existing "Common Inverter" with a new inverter, the replacement of the existing "Unit 8 & 7 Inverters" with new. Of the three existing units one is currently not functional and the other two are unreliable and have exceeded their expected life.

On March 11, 2015, an invitation to bid document was issued to nineteen companies. The invitation was advertised on the Current Bid Opportunities section of the Purchasing webpage, and was also sent to one plan room.

On April 1, 2015, two bids were received as shown on the attached report.

Staff has reviewed the bids and concluded that the apparent low Base bid submitted by La Marche Manufacturing Company, Des Plaines, IL, in the amount of \$70,090.70 is acceptable. This vendor is not licensed to collect sales taxes for the State of Iowa, so the City will pay applicable Iowa Sales Taxes in the amount of \$4,825.14 directly to the State of Iowa.

Funding is available in the approved FY2014/15 Electric Production operating budget with money budgeted specifically for the replacement of these inverters.

ALTERNATIVES:

1. Award a contract to La Marche Manufacturing Company, Des Plaines, IL, for the purchase of Inverters for Power Plant in the amount of \$70,090.70, with applicable sales taxes in the amount of \$4,825.14 to be paid directly by the City to the State of Iowa.
2. Reject all bids and delay the purchase of the inverters.

MANAGER'S RECOMMENDED ACTION:

The purchase of these inverters is critical because failure to supply power to critical plant components results in plant shutdown and loss of the city-wide IT servers.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.



**INVITATION TO BID NO. 2015-155 INVERTERS
FOR POWER PLANT**

BIDDER:	La Marche Manufacturing Company Des Plaines, IL			Utilities Plus Energy Services, Inc Elk River, MN		
BASE:						
DESCRIPTION	QTY	UNIT PRICE	TOTAL	QTY	UNIT PRICE	TOTAL
Inverters for Power Plant	3	\$22,976.85	\$68,930.55	3	\$27,240.00	\$81,720.00
Subtotal:		\$68,930.55			\$81,720.00	
Sales or Use Tax (7%):		Not Licensed			\$5,720.40	
Sales or Use Tax (7%): Not Lic. Added for evaluation.		\$4,825.14			N/A	
Non-Taxable Freight		\$1,160.15			\$546.25	
Total Base Bid:		\$70,090.70			\$87,986.65	
Evaluated Total: Includes all applicable sales tax		\$74,915.84			\$87,986.65	
OPTION:						
DESCRIPTION	QTY	UNIT PRICE	TOTAL	QTY	UNIT PRICE	TOTAL
Inverter for Power Plant	1	\$22,976.85	\$22,976.85	1	\$27,240.00	\$27,240.00
Subtotal:		\$22,976.85			\$27,240.00	
Sales or Use Tax (7%):		Not Licensed			\$1,906.80	
Sales or Use Tax (7%): Not Lic. Added for evaluation.		\$1,608.38			N/A	
Non-Taxable Freight		\$452.72			\$201.25	
Total Option Bid:		\$23,429.57			\$29,348.05	
Evaluated Option Bid Total: Includes all applicable sales tax		\$25,037.95			\$29,348.05	
OVERALL:		\$93,520.27			\$117,334.70	
EVALUATED OVERALL: Includes all applicable sales tax		\$99,953.79			\$117,334.70	