

COUNCIL ACTION FORM

SUBJECT: INVENTORY ITEMS FOR ELECTRIC DISTRIBUTION

BACKGROUND:

The Electric Services Department relies on an inventory of aluminum cable, copper cable, and soft drawn copper wire for various projects. The purchase of multiple stock items is necessary to replenish this inventory and meet the needs of the Department. These items are purchased from an Electric inventory asset account and charged to the appropriate operations expense or project account as the materials are taken out of inventory and installed.

On March 25, 2015, a Request For Quotation (RFQ) for typical sized cable and wire was issued to 35 firms. The request included wire/cable type plus the likely quantity Electric Services needs to replenish stock and meet upcoming project requirements. The RFQ does state the City is not obligated to buy all the cable/wire from a single bidder, and that the City can choose a different bidder for each type. The RFQ was advertised on the Current Bid Opportunities section of the Purchasing webpage.

On April 7, 2015, 4 bids were received. The bid tabulation is shown below:

GROUP 1 – ALUMINUM 4/0 TRIPLEX CABLE	
BIDDERS	TOTAL COST (Inclusive of IA Sales Tax)
RESCO, Ankeny, IA	\$44,116.87
WESCO Distribution, Des Moines, IA	\$40,311.18
Kriz-Davis Company, Ames, IA	No Bid
Power Line Supply, Williamsburg, IA	No Bid

GROUP 2 - AWG 12 COPPER CABLE	
BIDDERS	TOTAL COST (Inclusive of IA Sales Tax)
RESCO, Ankeny, IA	\$374.07
WESCO Distribution, Des Moines, IA	\$342.40
Kriz-Davis Company, Ames, IA	\$289.17
Power Line Supply, Williamsburg, IA	No Bid

GROUP 3 - AWG 4 SOLID BARE SOFT DRAWN COPPER WIRE	
BIDDERS	TOTAL COST (Inclusive of IA Sales Tax)
WESCO Distribution, Des Moines, IA	\$226.84
Kriz-Davis Company, Ames, IA	\$225.98
RESCO, Ankeny, IA	\$222.13
Power Line Supply, Williamsburg, IA	\$211.86

GROUP 4 - AWG 2 SOLID BARE SOFT DRAWN COPPER WIRE	
BIDDERS	TOTAL COST (Inclusive of IA Sales Tax)
Kriz-Davis Company, Ames, IA	\$957.65
WESCO Distribution, Des Moines, IA	\$909.50
Power Line Supply, Williamsburg, IA	\$909.50
RESCO, Ankeny, IA	\$820.69

GROUP 5 - 4/0 19 STRAND COVERED COPPER WIRE	
BIDDERS	TOTAL COST (Inclusive of IA Sales Tax)
Power Line Supply, Williamsburg, IA	\$7,438.64
RESCO, Ankeny, IA	\$7,318.80
Kriz-Davis Company, Ames, IA	\$6,944.09
WESCO Distribution, Des Moines, IA	No Bid

Staff reviewed the bids and has concluded that the apparent low bid for each group is acceptable and meets the needs of Electric Services for the inventory items. The recommendation consists of:

Group 1 WESCO Distribution, Des Moines, IA in the amount of \$40,311.18;

Group 2 Kriz-Davis Company, Ames, IA in the amount of \$289.17;

Group 3 Power Line Supply, Williamsburg, IA in the amount of \$211.86;

Group 4 RESCO, Ankeny, IA in the amount of \$820.69;

Group 5 Kriz-Davis Company, Ames, IA in the amount of \$6,944.09.

Each group is inclusive of sales tax.

Because these are inventory items, there is not a defined budgeted amount for wire/cable. Rather, the wire/cable is charged to a specific project as the material is removed from inventory and used in a project which in turn then funds the replacement.

ALTERNATIVES:

- 1) Award a contract for the purchase of cable and wire to:
 - a) Group 1 WESCO Distribution, Des Moines, IA in the amount of \$40,311.18
 - b) Group 2 Kriz-Davis Company, Ames, IA in the amount of \$289.17
 - c) Group 3 Power Line Supply, Williamsburg, IA in the amount of \$211.86
 - d) Group 4 RESCO, Ankeny, IA in the amount of \$820.69
 - e) Group 5 Kriz-Davis Company, Ames, IA in the amount of \$6,944.09

- 2) Award a contract for the purchase of cable and wire to some other combination of bidders.
- 3) Reject all bids and delay Electric Services work orders.

MANAGER'S RECOMMENDED ACTION:

This purchase will provide for the replenishment of inventory of the Electric Services Department for wire and cable. 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. This may result in a price adjustment 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.

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