

COUNCIL ACTION FORM

SUBJECT: **PURCHASE OF ELECTRIC METERS FOR THE ELECTRIC SERVICES DEPARTMENT**

BACKGROUND:

This proposed action is for the purchase of residential single phase, poly phase, programmable demand type, and power quality socket type electric meters to meet the needs of the Electric Services Department inventory. These meters will be purchased from an Electric Services Technical Services Division inventory asset account and charged to the appropriate operations accounts as the meters are put into use.

This contract is to provide electric meters for the period from August 1, 2015, through July 31, 2016. The contract includes a provision that would allow the City to renew the contract for up to four additional one-year terms.

Under the proposed contract, electric meters would be purchased at the City's discretion, which may be quarterly or on an as-needed basis. This provides the City with flexible inventory management and helps to reduce the need for storage space. Bid prices plus applicable sales taxes, which are applicable to the purchase of this equipment, are paid directly by the Utility. **No contract amount is being authorized at this time, since payments will be made as these meters are purchased.**

On May 8, 2015, an Invitation to Bid document was issued to 45 companies. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage.

On May 12, 2015, four bids were received as shown below.

BIDDER	Single Phase Meters Group 1 Cost	Poly Phase and Demand Meters Group 2 Cost	Power Quality Socket Type Electric Meters Group 3 Cost
Fletcher-Reinhardt Co. Cedar Rapids, IA	\$39,217.12	\$12,868.00	\$38,688.00
Schneider Electric USA, Inc Palatine, IL	No Bid	No Bid	\$54,000.00
EI Electronics LLC. Westbury, NY	No Bid	No Bid	\$52,608.00
RESCO Ankeny, IA	\$138,442.40	Non-responsive	No Bid

(Note - RESCO did not have inexpensive meters that met the City's specification and bid their high end meter which resulted in the large cost difference between them and the apparent low bidder.)

Council should note that the evaluation amount is based on unit prices and estimated quantities on prior year purchases. The recommended award is based on the estimated total evaluated cost.

Staff reviewed the bids and concluded that the apparent low bid, based on the City's estimated quantities, and determined that the bid submitted by Fletcher-Reinhardt Co., Cedar Rapids, Iowa, is acceptable.

ALTERNATIVES:

1. Award a contract to Fletcher-Reinhardt Co., Cedar Rapids, Iowa, for the purchase of electric meters in accordance with unit price bid.

Electric meters will be purchased as requested. Payments will be based on unit prices bid and actual quantities ordered, plus applicable sales taxes.

2. Award a contract to one, or more, of the other bidders for the purchase of electric meters in accordance with unit price bid.
3. Reject all bids and purchase electric meters on an as needed basis at unpredictable prices.

MANAGER'S RECOMMENDED ACTION:

It is important to purchase electric meters at the lowest possible cost with minimal risk to the City. It is also imperative to have these meters available to meet customer needs for new service or emergency replacements.

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