

COUNCIL ACTION FORM

SUBJECT: AWARD CONTRACT FOR 15kV 1/0 STRANDED ALUMINUM CABLE FOR THE ELECTRIC SERVICES DEPARTMENT

BACKGROUND:

This bid is for the purchase of 30,000 feet of 15kV 1/0 stranded aluminum cable to replenish inventory for the Electric Services Department. Cable of this type is kept on hand in order to ensure availability for the needs of the department. Typically, this cable is used to provide service for commercial and residential applications and is necessary to meet the anticipated needs of the Electric Services Department for new construction and maintenance projects.

On February 14, 2017, an invitation to bid (ITB) was issued to 51 vendors. The ITB was advertised on the Current Bid Opportunities section of the Purchasing webpage.

On February 23, 2017, three bids were received as shown below:

BIDDER	TOTAL COST
Wesco Distribution, Des Moines, IA	\$73,188.00
RESCO, Ankeny, IA	\$78,324.00
Border States, Sioux Falls, SD	Non-responsive

Staff reviewed the bids and concluded that the apparent low bid in the amount of \$73,188.00 (inclusive of Iowa sales tax) submitted by Wesco, is acceptable. The non-responsive bidder took exception to the specifications and offered unacceptable manufacturers' product per the specifications provided in the bid documents.

City Council should note that due to the metal content of this product, the bidder Wesco included 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 to the efficient operation of the utility.

There is not a budget line item assigned for the purchase of this material. Once purchased, the cable will be placed into inventory and charged out to individual projects as needed.

ALTERNATIVES:

1. Award a contract to Wesco, Des Moines, IA., for the purchase of Electric Services aluminum cable in accordance with bid in the amount of \$73,188.00 (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 aluminum cable at the lowest possible cost with minimal risk to the City. It is also imperative to have aluminum cable available to meet department's needs for commercial and residential application. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

BID TABULATION RFQ #2017-115				WESCO		RESCO		BORDER STATES		MCMULLEN-NIEMANN & ASSOC.		KRIZ-DAVIS CO.		FLETCHER-REINHARDT CO.	
Line Item Number	Description	Qty	UOM	UNIT PRICE	EXTENDED PRICE	UNIT PRICE	EXTENDED PRICE	UNIT PRICE	EXTENDED PRICE	UNIT PRICE	EXTENDED PRICE	UNIT PRICE	EXTENDED PRICE	UNIT PRICE	EXTENDED PRICE
Item 1	CABLE, ALUM 1/0, 220 MIL, JACKETED, 15KV CITY STOCK # 880 002 04067 1/0 STRAND FILLED, 220 MIL CABLE, 1/0 STRANDED ALUMINUM, CONCENTRIC 15 KV, 220 MIL EPR INSULATION, FULL SIZE UNCOATED COPPER NEUTRAL, WITH OVER-ALL INSULATING JACKET. PER CITY OF AMES SPEC URD-EPR_lcc_11-15-11. MUST ALSO CONFORM TO LATEST NESC REQUIREMENTS FOR MARKING. TO BE PACKAGED ON NON-RETURNABLE REELS OF 2500 FT EACH. CERTIFIED TEST REPORTS ARE REQUIRED. COMPLETE MANUFACTURER'S SPECS SHALL BE PROVIDED WITH QUOTATIONS. ACCEPTABLE SUPPLIERS ARE OKONITE AND KERITE. CME NOT AN APPROVED MANUFACTURER PERLYNDON COOK ON 07/09/2013.	30000	FT	2.2800	68,400.0000	2.4400	73,200.0000	2.1500	64,500.0000	NO	NO	NO	NO	NO	NO
MANUFACTURER				OKONITE		KERITE		GENERAL CABLE							
PART #				163-23-3072		111F15-K1200		1/0 501 220M EPR 16#14							
SUBTOTAL				68,400.0000		73,200.0000				NO QUOTE		NO QUOTE		NO QUOTE	
SALES AND/OR USE TAX ON ABOVE MATERIALS (7% IF LICENSED TO PAY IOWA SALES TAX)				4,788.0000		5,124.0000									
TOTAL				73,188.0000		78,324.0000									
LEAD TIME				4 WEEKS		9 WEEKS									
NOTE				PRICE IS FIRM EXCEPT FOR METALS ESCALATION/DE-ESCALATION BASED ON COPPER AT \$2.716/LB. AND ALUMINUM AT \$.92826/LB. PRICE CAN BE FIRMED UP ON DAY OF ORDER AND BEFORE ORDERING IF PREFERRED.		KERITE TERMS PROVIDED, AND WILL BE USED FOR PRICING.		NON-RESPONSIVE							