

COUNCIL ACTION FORM

SUBJECT: PURCHASE OF 750 KCMIL CABLE FOR ELECTRIC SERVICES

BACKGROUND:

This bid is for the purchase of 6,000 feet of 750 KCMIL cable to replenish inventory for Electric Services. This cable is kept on hand in order to insure availability. Typically, this cable is used to provide service for commercial and residential applications. It is also necessary to meet the anticipated needs of Electric Services for new construction and maintenance.

On March 28, 2017, an invitation to bid (ITB) document was issued to fifty-four companies. The ITB was advertised on the Current Bid Opportunities section of the Purchasing webpage, and was sent to two plan rooms.

On April 4, 2017, three bids were received as shown below:

BIDDER	BID PRICE
WESCO Distribution Des Moines, IA	\$81,919.20
RESCO Ankeny, IA	\$95,060.94
Kriz Davis Co. Ames, IA	\$95,073.78

Staff has reviewed the bids and concluded that the apparent low bid in the amount of \$81,919.20 (inclusive of Iowa sales tax) submitted by WESCO Distribution, Des Moines, IA, is acceptable.

The City Council should note that due to the metal content of this product, all three bidders 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 adaptation is necessary in order to assure efficient operation of the electric utility.

ALTERNATIVES:

1. Award a contract to WESCO Distribution, Des Moines, IA, for the purchase of 750 KCMIL cable, in the amount of \$81,919.20 (inclusive of Iowa sales tax), subject to a metals adjustment at time of order.

2. Reject all bids and attempt to purchase 750 KCMIL cable on an as needed basis.

MANAGER'S RECOMMENDED ACTION:

It is important to purchase cable at the lowest possible cost with minimal risk to the City. It is also imperative to have this 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.