

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACT TO FURNISH 750 KCMIL CABLE FOR THE ELECTRIC SERVICES DEPARTMENT

BACKGROUND:

This bid is for the purchase of 6,000 feet of 15kV 750 KCMIL copper cable to replenish inventory for the Electric Services Department. This cable is kept on hand to ensure availability for the department's needs. This cable is typically 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 September 19, 2018, an invitation to bid document was issued to 64 vendors. The invitation to bid was advertised on the Current Bid Opportunities section of the Purchasing webpage.

On October 2, 2018, two bids were received as shown below:

BIDDER	TOTAL COST
WESCO Des Moines, Iowa	\$86,028.00
RESCO Ankeny, Iowa	\$103,875.60

Staff has reviewed the bids and concluded that the apparent low bid in the amount of \$86,028.00 (inclusive of Iowa sales tax) submitted by WESCO, Des Moines, Iowa, is acceptable.

The City Council should note that because of the metal content of this product, and due to the volatile market for metal, WESCO has attached a metal escalation/de-escalation clause. This may adjust the price on the day the cable is ordered. While this uncertainty is not an ideal situation for the City, this cable is necessary to the efficient operation of the utility.

ALTERNATIVES:

1. Award a contract to WESCO, Des Moines, Iowa, for the purchase of 750 KCMIL cable, in the amount of \$86,028.00 (inclusive of Iowa sales tax), subject to metals adjustment at time of order.
2. Award the contract to the other bidder.

3. Reject all bids and attempt to purchase 15kV 750 KCMIL copper 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.