

COUNCIL ACTION FORM

SUBJECT: CONTRACT FOR WATER AND ENERGY CONSERVATION KITS

BACKGROUND:

This bid is for the purchase of water and energy conservation kits for Electric Administration. Each kit will contain three compact florescent light bulbs (one each of a 60, 75, and 100 watt equivalent to standard bulbs), a "conservation wheel" tool providing practical information pertaining to energy conservation, one refrigerator thermometer, one electroluminescent night light, twelve switch gaskets, one air filter whistle, one low flow shower head, two faucet aerators, and a box with the City of Ames Smart Energy logo.

Funding is available for this purchase from the approved 2008/09 Capital Improvements Plan in the amount of \$600,000 for Demand Side Management. These materials are provided as a part of the Smart Energy program that encourages our customers to use energy more efficiently. The kits will be made available to Electric Services customers at the Energy Fair on March 28, 2009.

Bids for these materials were received on February 12, 2009, as shown on the attached report. Staff had received a manufacturer's retail price of \$58.99 per kit, and the cost estimate provided by the Energy Services Coordinator was \$22.95 per kit. The possibility of ordering 2,000 kits could have resulted in a bid award over \$50,000.00. However actual costs quoted and a reevaluation of the project significantly reduced the amount of the award.

The Energy Services Coordinator has reviewed the bids and determined that Option Two meets the needs of the Electrical Services Department.

ALTERNATIVES:

1. Award a contract for 1,000 lighting conservation kits to Niagara Conservation Corporation, Cedar Knolls, New Jersey, in the amount of \$13,250.00. This vendor is not licensed to collect State of Iowa Sales Tax. Applicable sales taxes will be paid by the City directly to the State of Iowa.
2. Reject all bids and purchase items separately from local vendors as needed.

MANAGER'S RECOMMENDED ACTION:

This purchase will provide materials for Electric Services' Demand Side Management Smart Energy program for the balance of this fiscal year.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a of contract to Niagara Conservation Corporation, Cedar Knolls, New Jersey, in the amount of \$13,250.00. Applicable sales taxes will be paid by the City directly to the State of Iowa.

