

## COUNCIL ACTION FORM

**SUBJECT: CONTRACT RENEWAL FOR PURCHASE OF ELECTRIC  
DISTRIBUTION TRANSFORMERS**

### **BACKGROUND:**

On April 14, 2009, City Council awarded a contract to RESCO, Ankeny, Iowa, for the purchase of electric distribution transformers for the period April 14, 2009 to March 31, 2010. The contract includes three optional renewal periods, and on March 23, 2010, the City Council awarded the first contract renewal.

Transformers are ordered quarterly under this contract to meet the needs of the Electric Services Department for new construction and maintenance. Transformers are purchased from an Electric Department inventory asset account and charged to the appropriate operations accounts as the units are put into use. Generally, over a million dollars in assets are available in the Electric inventory at any given time for use in new service and maintenance activities.

Under the proposed contract renewal, transformers would be purchased as requested on a quarterly basis. This provides the City with flexible inventory management and helps to reduce the need for storage space. The proposed contract renewal period would end March 31, 2012. This contract is renewable for one additional year, subject to approval by the City Council. Bid prices are exclusive of sales taxes, which are applicable to the purchase of this equipment and are paid directly by the Utility. **No contract amount is being authorized at this time, since payments will be made as transformers are purchased.**

On March 25, 2009, bids were received as shown on the attached report. For the second renewal period, RESCO has indicated a flat .16% increase to the original bid prices. The Electric Engineering Manager has determined that the renewal of contract would continue to meet the needs of the Electric Services Department.

### **ALTERNATIVES:**

1. Approve renewal of the contract with RESCO, Ankeny, Iowa, for the purchase of electric distribution transformers for the period April 1, 2011 to March 31, 2012 in accordance with unit prices and energy losses bid for single-phase and three-phase pad-mounted and overhead transformers manufactured by ERMCO. One additional optional renewal period remains on this contract.

Units are to be purchased as requested; and payments will be based on unit prices bid and actual quantities ordered plus applicable sales taxes.

2. Reject all bids and attempt to purchase electric distribution transformers on an as-needed basis.
3. Direct staff to rebid these transformers.

**MANAGER'S RECOMMENDED ACTION:**

Renewal of the contract with RESCO would provide for purchase of electric distribution transformers needed for maintenance and new construction during FY 2011/12. The cost adjustment on the renewal unit prices for these transformers is reasonable, particularly in light of recent metals prices.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 above, thereby approving renewal of the contract for the purchase of electric distribution transformers with RESCO, Ankeny, Iowa for the period April 1, 2011 to March 31, 2012. Award of this contract will allow for a sure supply of transformers needed for new service and emergency replacements at a known cost. Transformers will be purchased as needed under this contract at the price quoted in this bid process.

**INVITATION TO BID  
NO. 2009-152**

Bid results from  
original bid in 2009

<b><i>Group 1 - Padmounts</i></b>	<b><i>Manufacturer</i></b>	<b><i>Total Estimated Purchase Price</i></b>	<b><i>Total Estimated Evaluated Price</i></b>
<b>Resco Ankeny, Iowa</b>	<b>ERMCO</b>	<b>\$445,518.34</b>	<b>\$817,320.34</b>
Burmeister Electric Fort Dodge, Iowa	Howard	\$455,729.00	\$842,963.00
Resco Ankeny, Iowa	Cooper	\$462,825.49	\$855,709.99
Fletcher Reinhardt Bridgeton, Missouri	Cooper	\$459,290.00	\$857,514.50
Wesco Des Moines, Iowa	ABB	\$446,033.00	\$857,812.50
<b><i>Group 2 – Overheads</i></b>	<b><i>Manufacturer</i></b>	<b><i>Total Estimated Purchase Price</i></b>	<b><i>Total Estimated Evaluated Price</i></b>
<b>Resco Ankeny, Iowa</b>	<b>ERMCO</b>	<b>\$77,155.40</b>	<b>\$142,603.40</b>
Wesco Des Moines, Iowa	ABB	\$73,236.00	\$147,751.00
Fletcher Reinhardt Bridgeton, Missouri	Cooper	\$76,708.00	\$148,552.50
Resco Ankeny, Iowa	Cooper	\$77,299.41	\$149,143.91
Central Maloney Pine Bluff, Arkansas	Central Maloney	\$80,410.00	\$152,371.00
Burmeister Electric Fort Dodge, Iowa	Howard	\$86,706.00	\$159,615.00

**INVITATION TO BID  
NO. 2009-152**

2011/12 Contract Pricing

<b>Padmount</b>				
Sec. Voltage	Size	FY 09/10	FY 11/12	Delivery
120/240	25 kva	\$1,336.76	<b>\$1,338.90</b>	8-10 wks
	37.5 kva	\$1,570.17	<b>\$1,572.68</b>	
	50 kva	\$1,737.78	<b>\$1,740.56</b>	
	75 kva	\$2,438.04	<b>\$2,441.94</b>	
	100 kva	\$2,749.61	<b>\$2,754.01</b>	
120/208	112.5 kva	\$5,964.01	<b>\$5,973.55</b>	6 wks
	150 kva	\$6,777.37	<b>\$6,788.21</b>	
	225 kva	\$8,609.76	<b>\$8,623.54</b>	
	300 kva	\$9,148.58	<b>\$9,163.22</b>	
	500 kva	\$13,210.28	<b>\$13,231.42</b>	
	750 kva	\$14,910.02	<b>\$14,933.88</b>	
120/208 alt loop feed	112.5 kva	\$6,844.21	<b>\$6,855.16</b>	6 wks
	150 kva	\$7,422.10	<b>\$7,433.98</b>	
	225 kva	\$9,162.98	<b>\$9,177.64</b>	
	300 kva	\$9,698.71	<b>\$9,714.23</b>	
	500 kva	\$13,110.53	<b>\$13,131.51</b>	
	750 kva	\$15,387.14	<b>\$15,411.76</b>	
277/480	300 kva	\$8,683.80	<b>\$8,697.69</b>	6 wks
	500 kva	\$12,460.66	<b>\$12,480.60</b>	
	750 kva	\$14,619.02	<b>\$14,642.41</b>	
	1000 kva	\$18,046.27	<b>\$18,075.14</b>	
	1500 kva	\$21,926.99	<b>\$21,962.07</b>	
277/480	2500 kva	\$34,870.95	<b>\$34,926.74</b>	6-8 wks
277/480 alt 55C rise	2500 kva	\$35,077.63	<b>\$35,133.75</b>	6-8 wks
<b>Overhead</b>				
Sec. Voltage	Size	FY 09/10	FY 11/12	Delivery
120/240	5 kva	\$534.70	<b>\$535.56</b>	8-10 wks
	10 kva	\$650.89	<b>\$651.93</b>	
	15 kva	\$730.07	<b>\$731.24</b>	
	25 kva	\$936.76	<b>\$938.26</b>	
	37.5 kva	\$1,173.26	<b>\$1,175.14</b>	
	50 kva	\$1,278.14	<b>\$1,280.19</b>	
	75 kva	\$2,435.98	<b>\$2,439.88</b>	
	100 kva	\$2,352.69	<b>\$2,356.45</b>	
277/480	15 kva	\$688.94	<b>\$690.04</b>	8-10 wks
	25 kva	\$882.26	<b>\$883.67</b>	
	37.5 kva	\$1,177.37	<b>\$1,179.25</b>	
	50 kva	\$1,410.79	<b>\$1,413.05</b>	
	75 kva	\$2,052.44	<b>\$2,055.72</b>	
	100 kva	\$2,193.31	<b>\$2,196.82</b>	