

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 12,000 feet of 750 KCMIL cable to replenish inventory for the Electric Services Department. 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 the Electric Services Department for new construction and maintenance.

On September 3, 2013, an invitation to bid (IFB) document was issued to twenty-two firms. The RFQ was advertised on the Current Bid Opportunities section of the Purchasing webpage. The bid was also sent to one plan room.

On September 12, 2013, two bids were received as shown below:

BIDDER	BID PRICE	ALTERNATE*
WESCO Distribution Des Moines, IA	\$208,136.40	\$192,343.20
RESCO Ankeny, IA	\$210,275.54	

*The alternate bid is for Okonite's standard cable which is a non-strand-filled cable which is acceptable to the Electric Services.

Staff has reviewed the bids and concluded that the apparent low alternate bid in the amount of \$192,343.20 (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, both 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 cable is necessary to the efficient operation of the utility.

ALTERNATIVES:

1. Award a contract to WESCO Distribution, Des Moines, IA, for the purchase of 750 KCMIL cable, in the amount of \$192,343.20 (inclusive of Iowa sales tax), subject to 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.