

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACT TO FURNISH TRANSFORMERS FOR THE ELECTRIC SERVICES DEPARTMENT

BACKGROUND:

This contract is for the purchase of transformers necessary to meet the anticipated needs of the Electric Services Department. These transformers are kept on hand in order to ensure availability which will enable staff to replace failed transformers quickly. Typically, these transformers are 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 service and maintenance activities.

Under the proposed contract, transformers would be purchased by the City as requested on a quarterly basis. This provides the City with inventory management flexibility and also helps to reduce the need for extensive storage space. The contract period would start April 1, 2016 and end on March 31, 2017 with an option to renew the contract for up to four additional twelve (12) month periods.

On January 26, 2016, an Invitation to Bid (ITB) document was issued to fifty-two companies. The ITB was advertised on the Current Bid Opportunities section of the Purchasing webpage and was also sent to one plan room.

On February 11, 2016, nine bids were received as shown below:

BIDDER	Bid #1	Bid #2	Bid #3
RESCO, Ankeny, IA	\$1,129,609.44	\$1,143,071.33	\$1,111,780.95
Irby Utilities, Eagan, MN	\$1,130,316.97	Non-responsive	
Border States, Cedar Rapids, IA	\$1,165,929.89		
Fletcher-Reinhardt Co, Cedar Rapids, IA	\$1,165,936.20		
Kriz Davis, Ames, IA	\$1,167,863.50		
Wesco Distribution, Des Moines, IA	\$1,207,312.03		

***All Pricing inclusive of Iowa Sales Tax**

Bids were evaluated by item on the basis of cost, load loss, and estimated quantities. This type of an evaluation was done so that both the initial purchase price and ongoing operational costs of the transformers would be considered when comparing bids. In the case of RESCO, they offered different brands of transformers in each bid that had different loss characteristics.

Staff reviewed the bids, with consideration of operational losses, and concluded that the low bid (based on estimated usage from the past three years) for year one (inclusive of Iowa sales tax) submitted by RESCO, Ankeny, Iowa, bid #3, and is acceptable.

ALTERNATIVES:

1. Award a contract for year one to RESCO (bid #3), Ankeny, Iowa, for the purchase of Electric Services transformers in accordance with unit prices bid. Units are to be purchased as requested; and payments will be based on unit prices and quantities ordered inclusive of applicable sales taxes.
2. Reject all bids and attempt to purchase transformers on an as needed basis.

MANAGER'S RECOMMENDED ACTION:

It is important to purchase transformers at the lowest possible cost, considering both purchase price and ongoing operational cost, with minimal risk to the City. It is also imperative to have transformers 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.

Bid Tabulation for RFQ #2016-122 Purchase of Transformers for Electric Distribution

PRICE QUOTED ON BID RESPONSE

Group 1 - Padmounts	RESCO - Quote #2	RESCO - Quote #3	Kriz Davis	RESCO - Quote #1	Irby - Quote #1	Border States	Fletcher-Reinhardt Co	Wesco Distribution	Irby - Quote #2
Division One - Single Phase Pads 120/240	42,749.21	44,936.48	49,280.49	42,749.21	42,786.00	49,275.35	49,280.00	55,501.00	47,583.00
Division Two - Three Phase Pads 120/208	95,280.30	84,785.45	86,754.87	81,773.71	81,857.00	86,754.88	86,754.00	93,063.00	110,837.00
Division Three - Three Phase Pads 277/480	108,752.29	93,782.73	96,090.26	90,646.29	90,741.00	96,090.25	96,090.00	110,737.00	Non-responsive
Division Four- Three Phase Pad 277/480 2500kVA - Standard 55C rise	796,750.73	790,988.64	834,030.00	815,782.12	816,208.00	832,229.98	832,229.00	843,190.00	-
Group 1 Quoted Actual Price Total*	1,043,532.53	1,014,493.30	1,066,155.62	1,030,951.33	1,031,592.00	1,064,350.46	1,064,353.00	1,102,491.00	158,420.00

*Price exclusive of 6% State of Iowa SalesTaxes Plus 1% Local Tax

Group 2 - Overheads	RESCO - Quote #2	RESCO - Quote #3	Kriz Davis	RESCO - Quote #1	Irby - Quote #1	Border States	Fletcher-Reinhardt Co	Wesco Distribution	Irby - Quote #2
Division One - Single Phase Ohd 120/240	17,725.80	17,363.75	17,989.74	17,725.80	17,740.00	17,989.78	17,994.00	18,762.00	20,436.00
Division Two - Three Phase Ohd 277/480	7,032.63	7,190.57	7,315.85	7,032.63	7,039.00	7,313.86	7,313.00	7,076.00	7,638.00
Group 2 Quoted Actual Price Total*	24,758.43	24,554.32	25,305.60	24,758.43	24,779.00	25,303.64	25,307.00	25,838.00	28,074.00

*Price exclusive of 6% State of Iowa SalesTaxes Plus 1% Local Tax

Groups 1 and 2 Quoted Actual Price Total*	1,068,290.96	1,039,047.62	1,091,461.21	1,055,709.76	1,056,371.00	1,089,654.10	1,089,660.00	1,128,329.00	Non-responsive
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*Price exclusive of 6% State of Iowa SalesTaxes Plus 1% Local Tax

**	1,143,071.33	1,111,780.95	1,167,863.50	1,129,609.44	1,130,316.97	1,165,929.89	1,165,936.20	1,207,312.03	-
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**Price inclusive of 6% State of Iowa SalesTaxes Plus 1% Local Tax

EVALUATED BASED ON NO LOAD LOSS AND LOAD LOSS

Group 1 - Padmounts	RESCO - Quote #2	RESCO - Quote #3	Kriz Davis	RESCO - Quote #1	Irby - Quote #1	Border States	Fletcher-Reinhardt Co	Wesco Distribution	Irby - Quote #2
Division One - Single Phase Pads 120/240	81,615.50	82,095.25	85,997.68	81,615.50	81,655.00	70,375.10	86,000.00	90,430.00	
Division Two - Three Phase Pads 120/208	660,029.55	682,710.10	609,835.65	674,865.10	675,195.00	713,218.25	713,215.00	715,055.00	
Division Three - Three Phase Pads 277/480	691,262.45	703,817.95	742,490.52	721,920.75	722,250.00	740,690.50	740,690.00	742,400.00	
Division Four- Three Phase Pad 277/480 2500kVA - Standard 55C rise	893,392.05	874,165.85	926,036.67	932,296.75	932,720.00	924,236.65	924,235.00	926,370.00	Non-responsive
Group 1 Evaluated Total*	2,326,299.55	2,342,789.15	2,364,360.51	2,410,698.10	2,411,820.00	2,448,520.50	2,464,140.00	2,474,255.00	

*Price exclusive of 6% State of Iowa SalesTaxes Plus 1% Local Tax

Group 2 - Overheads	RESCO - Quote #2	RESCO - Quote #3	Kriz Davis	RESCO - Quote #1	Irby - Quote #1	Border States	Fletcher-Reinhardt Co	Wesco Distribution	Irby - Quote #2
Division One - Single Phase Ohd 120/240	74,150.45	71,960.85	73,298.20	74,150.45	74,180.00	73,298.25	73,305.00	79,395.00	78,395.00
Division Two - Three Phase Ohd 277/480	79,463.15	76,522.85	77,689.26	79,463.15	79,495.00	77,679.30	77,675.00	81,030.00	82,720.00
Group 2 Evaluated Total*	153,613.60	148,483.70	150,987.46	153,613.60	153,675.00	150,977.55	150,980.00	160,425.00	161,115.00

*Price exclusive of 6% State of Iowa SalesTaxes Plus 1% Local Tax

Groups 1 and 2 Evaluated Total	2,602,134.10	2,474,783.25	2,561,685.56	2,565,433.60	2,617,815.00	2,493,766.70	2,515,340.51	2,634,680.00	NA
**	2,784,283.49	2,648,018.08	2,741,003.54	2,745,013.95	2,801,062.05	2,668,330.37	2,691,414.35	2,819,107.60	-

**Price inclusive of 6% State of Iowa SalesTaxes Plus 1% Local Tax

SUMMARY*	RESCO - Quote #2	RESCO - Quote #3	Kriz Davis	RESCO - Quote #1	Irby - Quote #1	Border States	Fletcher-Reinhardt Co	Wesco Distribution	Irby - Quote #2
Groups 1 and 2 Quoted Actual Price Total**	1,143,071.33	1,111,780.95	1,167,863.50	1,129,609.44	1,130,316.97	1,165,929.89	1,165,936.20	1,207,312.03	199,548.58
Groups 1 and 2 Evaluated Total**	2,784,283.49	2,648,018.08	2,741,003.54	2,745,013.95	2,801,062.05	2,668,330.37	2,691,414.35	2,819,107.60	NA

**Price inclusive of 6% State of Iowa SalesTaxes Plus 1% Local Tax