

COUNCIL ACTION FORM

SUBJECT: CONTRACT RENEWAL FOR PURCHASE OF ELECTRIC METERS
FOR THE CITY OF AMES, IOWA

BACKGROUND:

On June 10, 2014, the City Council approved a contract with Fletcher-Reinhardt Company of Cedar Rapids, Iowa, for the purchase of residential single phase, poly phase, programmable demand-type, and power quality socket-type electric meters to meet the needs of the Electric Services Department. These meters will be purchased from an Electric Services Technical Services Division inventory asset account and charged to the appropriate operations accounts as the meters are put into use.

The initial contract included a provision that would allow the City to renew the contract for up to four additional one-year terms. **This contract renewal is the first of the possible four renewals to provide electric meters for the period from July 1, 2016, through June 30, 2017. The contract includes a zero cost increase.**

Under the proposed contract, electric meters would be purchased at the City's discretion, which may be quarterly or on an as-needed basis. This provides the City with flexible inventory management and helps to reduce the need for storage space. Bid prices plus applicable sales taxes, which are applicable to the purchase of this equipment, are paid directly by the Utility. **No contract amount is being authorized at this time, since payments will be made as these meters are purchased.**

ALTERNATIVES:

1. Renew contract with Fletcher-Reinhardt Co., Cedar Rapids, Iowa, for the purchase of electric meters in accordance with unit price bid.

Electric meters will be purchased as requested. Payments will be based on unit prices bid and actual quantities ordered, plus applicable sales taxes.

2. Reject all bids and purchase electric meters on an as needed basis at unpredictable prices.

MANAGER'S RECOMMENDED ACTION:

It is important to purchase electric meters at the lowest possible cost with minimal risk to the City. It is also imperative to have these meters available to meet customer needs for new service or emergency replacements.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.