

**COUNCIL ACTION FORM**

**SUBJECT: AWARD CONTRACT FOR 15kV 1/0 STRANDED ALUMINUM CABLE FOR THE ELECTRIC SERVICES DEPARTMENT**

**BACKGROUND:**

This bid is for the purchase of 30,000 feet of 15kV 1/0 stranded aluminum cable to replenish inventory for the Electric Services Department. Cable of this type is kept on hand in order to ensure availability for the needs of the department. Typically, this cable is used to provide service for commercial and residential applications and is necessary to meet the anticipated needs of the Electric Services Department for new construction and maintenance projects.

There is not a specific amount budgeted for inventory items such as cable. As cable is removed from inventory for a project, it is charged to the project as a material cost.

On July 27, 2016, an invitation to bid (ITB) was issued to 59 vendors. The ITB was advertised on the Current Bid Opportunities section of the Purchasing webpage.

On August 12, 2016, four bids were received as shown below:

<b>BIDDER</b>	<b>TOTAL COST</b>
Wesco Distribution, Des Moines, IA	\$69,336.00
RESCO, Ankeny, IA	\$75,242.40
Kriz-Davis Co., Ames, IA	Non-Responsive
Graybar, Des Moines, IA	Non-Responsive

Prices are inclusive of 6% State of Iowa Sales Taxes Plus 1% Local Tax

Staff reviewed the bids and concluded that the apparent low bid in the amount of \$69,336.00 submitted by Wesco Distribution, is acceptable. The two non-responsive bidders took exception to the specifications and offered unacceptable manufacturers' products per the specifications provided in the bid documents.

City Council should note that due to the metal content of this product, the bidder (Wesco) included 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 Electric Services aluminum cable in accordance with bid in the amount of \$69,336.00 (inclusive of Iowa sales tax), subject to metals adjustment at time of order.
2. Reject all bids and attempt to purchase aluminum cable on an as needed basis.

**MANAGER'S RECOMMENDED ACTION:**

It is important to purchase aluminum cable at the lowest possible cost with minimal risk to the City. It is also imperative to have aluminum cable available to meet department's needs for commercial and residential application.

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



RFQ 2017-014 ALUMINUM CABLE FOR ELECTRIC DISTRIBUTION INVENTORY BID SUMMARY

		WESCO		RESCO		GRAYBAR ELECTRIC CO		KRIZ-DAVIS CO	
<b>GROUP 1</b>									
<p>CABLE, ALUM 1/0, 220 MIL, JACKETED, 15KV            CITY STOCK # 880 002 04067            1/0 STRAND FILLED, 220 MIL            CABLE, 1/0 STRANDED ALUMINUM, CONCENTRIC            15 KV, 220 MIL EPR INSULATION, FULL SIZE            UNCOATED COPPER NEUTRAL, WITH OVER-ALL            INSULATING JACKET.</p> <p>PER CITY OF AMES SPEC URD-EPR_lcc_11-15-11.</p> <p>MUST ALSO CONFORM TO LATEST NESC            REQUIREMENTS FOR MARKING. TO BE            PACKAGED ON NON-RETURNABLE REELS OF 2500            FT EACH. CERTIFIED TEST REPORTS ARE            REQUIRED. COMPLETE MANUFACTURER'S SPECS            SHALL BE PROVIDED WITH QUOTATIONS.</p> <p>ACCEPTABLE SUPPLIERS ARE OKONITE AND            KERITE.</p> <p>CME NOT AN APPROVED MANUFACTURER</p>									
30,000	FT	2.160	64,800.00	2.344	70,320.00	NON-RESPONSIVE		NON-RESPONSIVE	
<b>MFG:</b>		<b>OKONITE</b>		<b>KERITE</b>		<b>Superior Essex</b>		<b>General Cable</b>	
<b>Part #:</b>		<b>163-23-3072</b>		<b>111F15-K1200</b>		<b>E9JPM-1A6F01CA00</b>		<b>749746 1/0 FA 220E FN PE</b>	
<b>Subtotal</b>			<b>64,800.00</b>		<b>70,320.00</b>		-		-
<b>Sales and/or Use tax on above materials (7% if licensed to pay Iowa Sales</b>			<b>4,536.00</b>		<b>4,922.40</b>		-		-
<b>Overall</b>			<b>69,336.00</b>		<b>75,242.40</b>		-		-
						NON-RESPONSIVE		NON-RESPONSIVE	
<b>Lead Time from PO Receipt Date:</b>		8-9 WEEKS PRICE IS FIRM EXCEPT FOR METALS ESCALATION /DE- ESCALATION BASED ON COPPER AT \$2.1965/LB. AND ALUMINUM AT \$.7916/LB. PRICE CAN BE FIRMED UP ON DAY OF ORDER AND BEFORE ORDERING IF PREFERRED.		6 WEEKS PRICING WILL ESCALATE/DE- ESCALATE AT TIME OF ORDER PER ATTACHED MFG QUOTE				4-6 WEEKS	