

COUNCIL ACTION FORM

SUBJECT: AWARD CONTRACT FOR COPPER CABLE AND WIRE FOR ELECTRIC SERVICES DEPARTMENT

BACKGROUND:

This bid is for the purchase of 6,000 feet of 750 KCMIL copper cable and 2,000 feet of covered copper wire to replenish inventory for the Electric Services Department. Cable and wire of this type is kept on hand in order to ensure availability for the needs of the department. Typically, these items are 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.

On May 5, 2021, an Invitation to Bid (ITB) was issued to 98 vendors. The ITB was advertised on AmesBids from the City of Ames website. On May 18, 2021, two bids were received as shown below:

6,000 FT of 750 KCMIL Copper Cable

BIDDER	TOTAL COST
Graybar Electric, Des Moines, IA	\$132,038.21
RESCO, Ankeny, IA	\$197,222.40

2,000 FT of Copper Wire

BIDDER	TOTAL COST
Graybar Electric, Des Moines, IA	\$10,455.18
RESCO, Ankeny, IA	No Bid

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

Staff reviewed the bids and concluded that the apparent low bid for the 750 KCMIL copper cable from Graybar Electric, Des Moines, IA, does not meet the specification as required. Graybar bid a brand of cable that does not comply with the insulation requirement of the city's cable specification. The bid submitted by RESCO, Ankeny, IA, in the amount of \$197,222.40 (inclusive of Iowa sales tax) meets the specification for the 750 KCMIL copper cable and is acceptable.

Staff also concluded that the apparent low bid for the copper wire from Graybar Electric, in the amount of \$10,445.18 is acceptable.

The bid allows award of the items separately.

The City Council should note that because of the metal content of this product, RESCO 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 shipped. While this is not an ideal situation for the City, this cable is necessary to the efficient operation of the utility.

ALTERNATIVES:

1. A. Award a contract to RESCO, Ankeny, IA., for the purchase of Electric Services copper cable in accordance with bid in the amount of \$197,222.40 (inclusive of Iowa sales tax).

B. Award a contract to Graybar Electric, Des Moines, IA., for the purchase of Electric Services copper wire in accordance with bid in the amount of \$10,455.18 (inclusive of Iowa sales tax).
2. Award both contracts to Graybar Electric, Des Moines, IA.
3. Reject all bids and attempt to purchase copper cable and wire on an as needed basis.

CITY MANAGER'S RECOMMENDED ACTION:

The Electric utility needs a supply of copper cable and copper wire on hand to meet the needs of commercial and residential customers. It is important that materials the City purchases meets or exceeds its minimum specification. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.