

**COUNCIL ACTION FORM**

**SUBJECT:     **AWARD CONTRACT FOR PADMOUNT SWITCHGEAR FOR ELECTRIC SERVICES****

**BACKGROUND:**

This bid is for the purchase of three padmount switchgears to replenish inventory for the Electric Services Department. Padmount switchgear is kept on hand in order to ensure availability for the needs of the department. The three padmount switchgear needed each have distinct specifications.

On June 13, 2022, an Invitation To Bid (ITB) was issued to 144 vendors. The ITB was advertised on AmesBids. On June 20, 2022, bids were received from four firms:

1. Power Line Supply, Williamsburg, IA
2. WESCO Distribution, Des Moines, IA
3. IRBY UTILITIES, Rapid City, SD
4. RESCO (Rural Electric Supply Cooperative), Ankeny, IA

	<b>ITEM 1</b>	<b>ITEM 2</b>	<b>ITEM 3</b>
	15KV, PME-9,2-200E FUSE/2-600A SWITCH	15KV, PME-10NO FUSE/4-600A SWITCH	15KV, PME-111- 200E FUSE/3-600A SWITCH
<b>Power Line Supply</b>	\$25,661.81	<b>\$21,943.56</b>	<b>\$23,992.61</b>
<b>WESCO</b>	<b>\$22,799.61</b>	\$25,076.12	\$24,372.63
<b>IRBY UTILITIES</b>	\$26,054.50	\$22,309.50	\$24,556.50
<b>RESCO</b>	\$26,196.06	\$22,400.98	\$24,492.99

**\*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 Item 1 in the amount of \$22,799.61 (inclusive of Iowa sales tax) submitted by WESCO Distribution, is acceptable. The apparent low bid for Item 2 in the amount of \$21,943.56 (inclusive of Iowa sales tax) submitted by Power Line Supply, is acceptable. The apparent low bid for Item 3 in the amount of \$23,992.61 (inclusive of Iowa sales tax) submitted by Power Line Supply, is acceptable.

Padmount switchgears are standard Electric Services Department inventory items. **Lead times for delivery of these items has increase to 22-34 weeks which is why staff is asking that we order each of these types now in order to meet customer requests more quickly.**

Inventory items are purchased from an Electric Department inventory asset account and charged to the appropriate operations expense/project accounts as the materials are taken out of inventory and put into the various work orders.

The prices bid for these switchgears appear higher than the prices the utility has paid in the past for the same items. However, it has been several years since these specific switchgears have been purchased (up to 8 years in one instance). In addition, the range of the prices bid is fairly close. Therefore, it is difficult to determine if the price increases are unusually inflated in this bid, or if the increases are a result of longer-term equipment cost increases.

**ALTERNATIVES:**

1. A. Award a contract to WESCO Distribution, Des Moines, IA., for the purchase of line item 1, Electric Services padmount switchgear in accordance with bid in the amount of \$22,799.61 (inclusive of Iowa sales tax).
- B. Award a contract to Power Line Supply, Williamsburg, IA, for the purchase of line items 2 and 3, Electric Services padmount switchgear in accordance with bid in the amount of \$45,936.17 (inclusive of Iowa sales tax).
2. Reject all bids and attempt to purchase padmount switchgears on an as needed basis.

**CITY MANAGER'S RECOMMENDED ACTION:**

It is important to purchase padmount switchgears at the lowest possible cost with minimal risk to the City. It is also imperative to have padmount switchgears 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 A-B, as stated above.