

COUNCIL ACTION FORM

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

BACKGROUND:

This bid is for the purchase of 2,300 feet of 15kV 4/0 triplex aluminum cable and 6,000 feet of 750 kcmil 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, 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.

On June 13, 2022, an Invitation To Bid (ITB) was issued to 144 vendors. The ITB was advertised on AmesBids. On June 27, 2022, one bid was received as shown below:

| BIDDER | TOTAL COST |
|------------------------------------|--------------|
| WESCO Distribution, Des Moines, IA | \$210,243.23 |

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

Since the City received only one bid, staff reviewed past awarded contracts to determine the reasonableness of the bid. For the 15 kV 4/0 triplex, the City paid \$13.52/foot in November 2021. The quoted price for this bid is \$19.43/foot, a 44% increase. For the 750 kcmil copper wire, the City paid \$21.52/foot in November 2021. The quoted price for this bid is \$25.30/foot, an 18% increase. Considering the recent increase in metal costs, and the need to have this critical supply of cable and wire on hand, staff has concluded that the bid in the amount of \$210,243.23 (inclusive of Iowa sales tax) submitted by WESCO Distribution, is acceptable.

This cable is a standard Electric Services Department inventory item. 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.

ALTERNATIVES:

1. Award a contract to Wesco Distribution, Des Moines, IA., for the purchase of Electric Services aluminum cable and copper wire in accordance with bid in the amount of \$210,243.23 (inclusive of Iowa sales tax).
2. Reject the bid and attempt to purchase aluminum cable and copper wire on an as needed basis.

CITY MANAGER'S RECOMMENDED ACTION:

It is important to purchase aluminum cable and copper wire at the lowest possible cost with minimal risk to the City. It is also imperative to have aluminum cable and copper wire 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.