



Legislation Details (With Text)

**File #:** 22-0407      **Version:** 1

**Type:** BID, RFP, RFQ, COOP, SOLE SOURCE, OPTION YEAR      **Status:** Agenda Ready

**File created:** 3/21/2022      **In control:** City Council

**On agenda:** 4/5/2022      **Final action:**

**Title:** Approve the award of Change Order #2 to Option Year One of Contract 20-028, Insulated Conductors, to Okonite for an amount not to exceed \$80,198 and a total award of \$1,003,261

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
4/5/2022	1	City Council	approved	Pass

**CITY COUNCIL AGENDA ITEM**

**ACTION REQUESTED:**

Approve the award of Change Order #2 to Option Year One of Contract 20-028, Insulated Conductors, to Okonite for an amount not to exceed \$80,198 and a total award of \$1,003,261

**DEPARTMENT:** Electric Utility

**SUBMITTED BY:** Brian Groth, Director

**BOARD/COMMISSION REVIEW:**

N/A

**BACKGROUND:**

The purpose of this contract is to purchase underground electric conductor cable which is inventoried at the Electric Service Center warehouse. The conductors are of various types and sizes and are used in capital and maintenance projects by the Electric Utility (Utility) to ensure reliable service to its customers.

The City Council awarded Contract 20-028 to Okonite on May 19, 2020 for a one-year term from May 19, 2020 to May 19, 2021, with two, one-year options to extend.

The first optional renewal term was awarded by City Council on April 20, 2021. Change Order #1 to Option Year One was awarded on March 15, 2022 to replenish the City's cable inventory after a directional boring contractor hit a marked 34.5kV underground cable between two Electric Utility substations.

**DISCUSSION:**

The purpose of this change order is to correct a clerical oversight discovered shortly after the award of Change Order #1 to Option Year One. When the quote was presented to staff, it only listed the

price for 1,000 feet of cable, despite a quantity of 3,000 feet displayed, expecting the customer to notice and multiply accordingly. The vendor's quote was poorly written which led staff to request only an amount sufficient to purchase 1,000 feet of cable. Approval of this change order will correct the oversight and allow staff to order the additional 2,000 feet of cable needed, which will increase the total contract by \$80,198.

Because this order aligns with another customer's order, the lead time of the material is 36 weeks, which is significantly less than if staff were to place a standalone order, which would be nearly one year. Given the misunderstanding, the vendor has agreed to hold pricing for all 3,000 feet of cable as part of the already issued purchase order for the initial 1,000 feet. This is a valuable benefit to the City due to the volatile market for materials. Staff has issued a Letter of Intent to the vendor, who will then fulfill the order upon award of this change order.

**FISCAL IMPACT:**

CIP#: N/A

Insulated Conductors are expensed to the Operating Supplies account listed below. A total of \$4,000,000 has been budgeted for Electric Warehouse supplies in 2022. The requested change order is within the budgeted amount for this expense.

Account Number	Fund Description	Total Budget Amount
40101300-541407	Electric Utility	\$4,000,000