



Legislation Text

File #: 20-731, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Option Year One to Contract 17-119, Spot Purchases of Single Phase and Three Phase Transformers, to CG Power Systems USA, Inc., Graybar Electric Company, Power Line Supply, RESCO, Universal Utility Supply Co. and WESCO for an amount not to exceed \$640,104.

DEPARTMENT: Electric Utility

SUBMITTED BY: Lucille Podlesny, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The City Council awarded Contract 17-119 to CG Power Systems USA, Inc., Graybar Electric Company, Power Line Supply, RESCO, Universal Utility Supply Co. and WESCO on July 18, 2017 for a three year term from July 18, 2017 to July 17, 2020, with two, one-year options to extend. The purpose of this contract is to have an established pool of pre-qualified vendors to request quotes from each time an order is placed for the single phase and three phase transformers.

Currently in the industry, transformers are ordered and the price is adjusted at the time of shipment based on then-current material costs. Because the vendors are unable to hold quoted prices beyond seven business days, staff is unable to request an award from Council for fixed price awards each time an item is needed. Under this award, staff negotiated with the vendors to hold quoted prices for seven business days while quotes are obtained and evaluated from the pool of the six pre-qualified vendors. The spot purchase method maintains control over the procurement and provides the timing flexibility necessary to make the purchases at the lowest quoted price while providing for greater control over material costs.

DISCUSSION:

During the original term of the contract, each vendor responded timely to quote requests and followed through with professional, on-time deliveries.

Based upon all of the vendor's performances, the Utility would like to extend the contract for the first option year. Each vendor has agreed to maintain the terms provided for under the contract.

The term of the first option year is July 18, 2020 to July 17, 2021, with one, one-year option remaining on the agreement.

FISCAL IMPACT:

CIP#: Multiple (as needed)

Single and Three Phase Transformers are expensed to the Operating Supplies account listed below. A total of \$3,000,150 was budgeted for Operating Supplies in 2020, including Transformers. The requested award is within the budgeted amount for this expense.

Account Number	Fund Description	Total Budget Amount
40101300-541407	Electric Utility	\$3,000,150