



Legislation Text

File #: 23-0089, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Change Order #1 to Contract 17-119, Spot Purchases of Single Phase and Three Phase Transformers, to Power Line Supply, Universal Utility Supply Co. and Wesco for an amount not to exceed \$85,000 and a total award of \$1,295,157

DEPARTMENT: Electric Utility

SUBMITTED BY: Brian Groth, Director

BACKGROUND:

The Electric Utility (Utility) purchases distribution transformers, which are inventoried at the Electric Service Center and are used for new development as well as the replacement of damaged, faulty or undersized units.

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 for a three-year term from July 18, 2017 to July 17, 2020, with two, one-year options to extend. Option years one and two were awarded by the City Council respectively on July 21, 2020 and July 20, 2021.

The Utility currently has open purchases remaining on this contract with three vendors; Power Line Supply, Universal Utility Supply Co. and WESCO. Final purchase orders were issued prior to the contract expiration in 2022. Due to supply chain delays, transformers have still not been received to complete the orders.

DISCUSSION:

This change order is requested to add additional funds in the amount of \$85,000 for the final payment of invoices related to Power Line Supply and Universal Utility Supply Co.

The manufacturer issued a notice letter that an across-the-board price increase of 16.5% is being applied to all transformers shipped after January 1, 2023, on new and existing orders. Some of the units with the price increase have been received and additional funds are needed to cover the new invoice costs.

FISCAL IMPACT:

CIP#: N/A

Single phase and three phase transformers are budgeted in the Operating Supplies account below. In 2023, Electric budgeted \$6,000,000 for warehouse supplies which include the purchase of single phase and three phase transformers, the requested award is within budget.

Account Number	Fund Description	Total Budget Amount
40101300-541407	Electric Utility	\$6,000,000