



Legislation Text

File #: 21-0476, Version: 1

**CITY COUNCIL AGENDA ITEM**

**ACTION REQUESTED:**

Approve the award of Option Year One of Contract 20-028, Insulated Conductors, to Okonite for an amount not to exceed \$861,763 and for a one-year term

**DEPARTMENT:** Electric Utility

**SUBMITTED BY:** Brian Groth, Director

**BOARD/COMMISSION REVIEW:**

N/A

**BACKGROUND:**

The City Council awarded Contract 20-028 to Okonite on May 19, 2020 for a one-year term from May 19, 2020 to May 18, 2021, with two, one-year options to renew. The purpose of this procurement is to contract with a vendor to supply conductors which are 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 to ensure reliable service to its customers.

**DISCUSSION:**

During the original term of the contract, Okonite has performed in an excellent manner. Even during the pandemic, the on-time delivery of product and quality of the cable was not negatively impacted. Okonite continues to provide the best cable and is backed by an industry leading 40-year warranty.

Based upon the vendor's performance, the Electric Utility recommends renewing the contract for the first option year. Okonite has agreed to maintain the same terms provided for under the contract, however, they have requested a 1.5% price increase, which the Electric Utility views as acceptable and in line with the price increases on copper and aluminum which go into the cable product.

The term of the first option year is May 19, 2021 to May 18, 2022, with one, one-year option remaining on the agreement.

**FISCAL IMPACT:**

CIP#: N/A

Insulated Conductors are expensed to the Operating Supplies account listed below. A total of \$3,500,000 was budgeted for Electric Warehouse Supplies in 2021. The requested award is within the budgeted amount for this expense.

Account Number	Fund Description	Total Budget Amount
40101300-541407	Electric Utility	\$3,500,150

