



Legislation Text

File #: 23-0850, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Sole Source Procurement 23-199, S & C Switchgear, to Weldy Lamont Group, Inc. for an amount not to exceed \$958,029.02 for a one-year term

DEPARTMENT: Electric Utility

SUBMITTED BY: Brian Groth, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

To ensure reliable power delivery to its customers, the Electric Utility (Utility) installs high voltage switches at various points on the system. These switches allow Utility workers to isolate equipment and cable during planned maintenance and reduce outage time when cable or equipment failure occurs. The Utility has over 700 switches installed which allows most customers to be fed from at least two sources of power.

In March 1994, the City Council approved the Sole Source award of Contract 93-122 for pad-mounted switchgear and allowed for future switchgear costs with S&C Electric Company to be negotiated, taking into account material, labor and non-labor production costs. The Utility performed an analysis in 2019 to review the Sole Source justification and found the designation to still be valid. Specifically, Weldy Lamont Group, Inc. is the only company in northern Illinois authorized to sell S&C Electric's manual pad mount switchgear and S&C supports the firm as a chosen partner for all Utility municipal customers.

A Sole Source letter from the supplier is attached.

DISCUSSION:

This Sole Source is requested for purchases throughout the year of approximately 37 two-way units and seven three-way units. Because lead times are currently in the nine to 12 months for this type of equipment, these purchases are planned for the 2024 construction season.

The switchgear is expected to be delivered by August 31, 2024. The term of the contract is from date of award to August 31, 2024.

FISCAL IMPACT:

CIP#: N/A

Switchgear purchases are expensed to the below Operating Supply account. Given the lead time of these switchgears they are not expected to be received until 2024. As a result, there will not be any expenses associated with this award in 2023. Due to supply chain issues staff has been closely monitoring Operating Supply accounts and will continue to do so. However, staff will ensure the proper amount is budgeted in the Electric Utility Fund to accommodate this expense within the 2024 budget.

Account Number	Fund Description	Total Budget Amount
40101300-541407	Electric Utility	TBD