



Legislation Text

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File #: 17-701, Version: 1

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**CITY COUNCIL AGENDA ITEM**

**ACTION REQUESTED:**

Approve the Award of RFQ 17-159, Polyethylene/PVC Conduit Qualified Suppliers, as approved vendors for future spot purchases to Kyle Enterprises LLC dba Millenium, Power Line Supply and Universal Utility Supply Company of Illinois for an amount not to exceed \$925,440 and for a three-year term.

**DEPARTMENT:** Electric Utility

**SUBMITTED BY:** Mark Curran, Director

**BOARD/COMMISSION REVIEW:**

N/A

**BACKGROUND:**

The Electric Utility purchases Polyethylene/PVC conduit used in the electric distribution system and inventoried at the Electric Service Center. It is an integral component of the underground system. All system extensions, residential and commercial, require conduit to house the cable used on the distribution system. Conduit facilitates installation and protects the cable, promoting safe and reliable service.

The price of conduit has varied significantly in recent years. Conduit price is, in part, based on resin prices, which are dependent on the availability of resin as well as the price of natural gas. Fluctuating raw material costs makes it more cost effective to buy conduit on an as-needed basis, asking qualified suppliers to quote prices on the quantity needed at the time. The City has used this method to procure conduit during the previous contract, and it ensured the City was paying the lowest market price available at the time of purchase.

**DISCUSSION:**

In August 2017, the Electric Utility issued RFQ 17-119 soliciting statements of qualifications from vendors interested in supplying Polyethylene/PVC Conduit for the City's spot buy needs. Only those vendors determined to be qualified through this RFQ process will be allowed to provide quotes during the contract term.

|                     |           |                |    |
|---------------------|-----------|----------------|----|
| Advertisement Date: | 8/4/2017  | Notices Sent:  | 64 |
| Opening Date:       | 8/25/2017 | Planholders:   | 9  |
|                     |           | Bids Received: | 3  |

Three vendors submitted qualifications and all were determined to be qualified to provide price quotes and supply Polyethelene/PVC Conduit to the City. They have successfully met the issued

specifications related to their business and products.

**QUALIFIED VENDORS**

Kyle Enterprises LLC dba Millenium, Delavan, WI  
Power Line Supply, Williamsburg, IA  
Universal Utility Supply Co., West Chicago, IL

The term of the contract is three years from the date of award with two, one-year options to extend the contract.

**FISCAL IMPACT:**

Purchases of Polyethylene/PVC conduit will be maintained in the inventory. A total of \$1.5 million has been budgeted for inventory purchases in CY2017. The \$925,440 of purchases will be made over the three-year contract period. The requested award amount is within the budgeted amount for this expense.

| <b>Account Number</b> | <b>Fund Description</b> | <b>Budget Amount</b> |
|-----------------------|-------------------------|----------------------|
| 410-3380-533.60-63    | Electric Inventory      | \$1,500,000          |