



Legislation Text

File #: 21-0868, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Change Order #1 to Contract 17-159, Polyethylene/PVC Conduit Qualified Suppliers, to Power Line Supply and Universal Utility Supply Company of Illinois for an amount not to exceed \$152,250 and a total award of \$462,150

DEPARTMENT: Electric Utility

SUBMITTED BY: Brian Groth, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The Electric Utility (Utility) does not have the storage capacity to keep large quantities of materials on hand. As such, the City Council approved the first option year to Contract 17-159 to Power Line Supply and Universal Utility Supply Company of Illinois on October 20, 2020 for a one-year term from September 9, 2020 to September 8, 2021 with the purpose to establish a pool of qualified vendors to provide quotes for polyethylene/PVC conduit on an as-needed basis for the Utility.

DISCUSSION:

This change order is requested to allow the Utility to continue to purchase polyethylene and PVC conduit, which have long lead time items, which are necessary materials for the installation of electric cabling within the underground network infrastructure. Recent cost increases in raw materials and industry wide shortages have resulted in the Utility seeing 38% to 376% increases in the cost of these supplies and delivery estimates expanding from days, to months after receipt of order by the vendor. The cost estimates used to request spending approval last year have been greatly exceeded, resulting in reaching the funding limit of the existing contract. Current estimated needs for the remainder of the term, and the cost increases realized between last year's pricing and the current market, are shown below.

POLYETHYLENE/PVC CONDUIT COSTS 2021					
DESCRIPTION	2020 COST/FT	2021 COST/FT	INCREASE	EST NEEDS	TOTAL
3" Polyethylene	\$1.03	\$1.42	37.86%	5,000	\$7,100.00
3" PVC	\$0.99	\$4.10	314.14%	5,000	\$20,500.00
5" PVC	\$1.97	\$9.38	376.14%	2,000	\$18,760.00
5" Polyethylene	\$2.71	\$4.51	66.42%	2,000	\$9,020.00
6" PVC	\$3.15	\$11.25	257.14%	5,000	\$56,250.00

6" Polyethyler	\$3.95	\$6.77	71.39%	6,000	\$40,620.00
TOTAL REQUEST				\$152,250.00	

Throughout the remainder of the contract term, staff will monitor market trends with the goal to be as strategic as possible when initiating material purchases.

FISCAL IMPACT:

CIP#: N/A

Polyethylene/PVC Conduit is expensed to the Operating Supplies account listed below. A total of \$3,500,000 was budgeted for Electric Warehouse Supplies in 2021. The requested change order is within the budgeted amount for this expense.

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