

# Agenda Report

**To:** City Council

**Date:** November 3, 2003

**From:** City Manager

**Subject:** Authorization to enter into contracts with Central Moloney Inc. Howard Industries Inc. and Wesco Distribution Inc. for furnishing and delivery Distribution Transformers for Water and Power Department.

## RECOMMENDATION

It is recommended that the City Council:

- (1) accept the bid dated September 29, 2003 submitted by Central Moloney, Inc. in response to Item I: Internally Fused Underground Type Distribution Transformers, Item V: 4KV Underground Type Distribution Transformers, and item VI: Overhead Distribution Transformers;
- (2) accept the bid dated September 26, 2003, submitted by Howard Industries, Inc. in response to Item II: Modified Overhead Type Distribution Transformers, and Item III: 17/4 Modified Overhead Type Distribution Transformers;
- (3) accept the bid dated September 26, 2003, submitted by Wesco Distribution Inc. in response to Item IV: Underground Commercial Distribution Transformers;
- (4) reject all other bids; and
- (5) authorize the Purchasing Administrator issue Purchase Order Contracts not to exceed \$222,288.00 for Item I, \$149,683.77 for Item II, \$72,480.95 for Item III, \$327,607.86 for Item IV, \$39,056.00 for Item V, and \$ 32,843.00 for Item VI, for each year of a three-year contract period with two optional one-year extensions, each not to exceed \$235,000, \$160,000, \$77,000, \$344,000, \$42,000 and \$35,000 respectively for each item per year.

## BACKGROUND

Through the normal course of providing service to its customers, the Water and Power Department requires a variety of parts and equipment for its electrical distribution system. One of the equipment items is a distribution transformer. The function of a

distribution transformer is to convert the Water and Power Department's electrical distribution high voltage network to voltages that can be utilized by our customers.

The distribution transformers purchased under these contracts will be installed for both planned construction and future new businesses.

In response to the Notice Inviting Bids, eight (8) companies received the Specifications. The bid opening date was September 30, 2003. Bids were received from five (5) companies, one (1) company was non-compliant. The bid prices and the evaluated bid prices are listed in the table below.

|          |                     | <u>Central Moloney Inc.</u> | <u>Howard Industries Inc</u> | <u>Kuhlman Electric Corp.</u> | <u>Wesco Distribution Inc.</u> |
|----------|---------------------|-----------------------------|------------------------------|-------------------------------|--------------------------------|
| ITEM I   | Bid Price           | \$222,288.00                | \$244,790.06                 | \$232,080.59                  | No Bid                         |
|          | Evaluated Bid Price | <b>\$426,703.19</b>         | \$443,069.78                 | \$460,969.47                  | -                              |
| ITEM II  | Bid Price           | \$204,495.00                | \$149,683.77                 | No Bid                        | No Bid                         |
|          | Evaluated Bid Price | \$558,033.77                | <b>\$544,273.97</b>          | -                             | -                              |
| ITEM III | Bid Price           | \$99,409.00                 | \$72,480.95                  | No Bid                        | No Bid                         |
|          | Evaluated Bid Price | \$258,351.08                | <b>\$256,161.00</b>          | -                             | -                              |
| ITEM IV  | Bid Price           | \$353,057.00                | \$357,391.71                 | No Bid                        | \$327,607.86                   |
|          | Evaluated Bid Price | \$672,698.46                | \$558,862.47                 | -                             | <b>\$541,299.68</b>            |
| ITEM V   | Bid Price           | \$39,056.00                 | \$52,906.11                  | \$38,209.03                   | \$57,763.51                    |
|          | Evaluated Bid Price | <b>\$75,446.49</b>          | \$88,367.72                  | \$82,721.30                   | \$90,641.91                    |
| ITEM VI  | Bid Price           | \$32,843.00                 | \$37,050.73                  | \$35,198.64                   | No Bid                         |
|          | Evaluated Bid Price | <b>\$94,088.44</b>          | \$94,277.07                  | \$101,905.30                  | -                              |

The evaluated bid price includes the price of the transformer and the cost of operating the transformer over a span of twenty (20) years. The evaluation to determine the cost of operating the transformer was based on the no-load and load losses data provided by the bidders as required in the specifications. The contracts are awarded to the bidders with the lowest total evaluated bid price for each item.

Central Moloney Inc. is the lowest and responsive bidder for Item I, V and VI, Howard Industries Inc. is the lowest and responsive bidder for Item II and III, and Wesco Distribution Inc. is the lowest and responsive bidder for Item IV

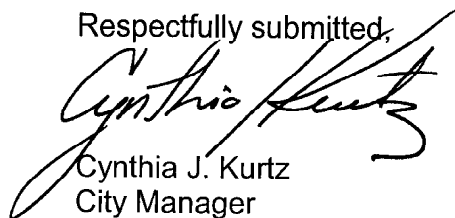
It is recommended that the City Council authorize contracts with Central Moloney Inc. for Item I, V and VI; with Howard Industries Inc. for Item II and Item III, and with Wesco Distribution Inc. for Item IV on the basis of being the lowest bidders complying with the Specifications on each item respectively.

The proposed contract is in compliance with the Competitive Bidding and Purchasing Ordinance P.M.C. 4.08, and the rules and regulations promulgated thereunder.

### FISCAL IMPACT

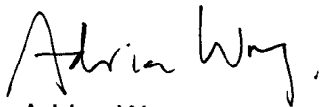
Funds for the distribution transformers are available from the 2004 Fiscal Year Electrical Systems Capital Improvement Budget for the Power Division under account numbers are 3001, Private Property Vaults; 3002, System Expansion; and 3023, Services from Public Right-Of-Way.

Respectfully submitted,



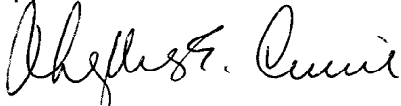
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