



City Council Report

Date: March 23, 2015
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: One-Year Renewal of the Term Contract for Electric Motors, Purchases and Repairs/Rewinds for the Water Resources Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve the Renewal of the Term Contract for Electric Motors, Purchases and Repairs/Rewinds as recommended.

The Water Resources Department and Purchasing recommend authorizing a one-year renewal with Keller Electrical Industries, Inc. (Primary Vendor); Laron, Incorporated (Secondary Vendor); and Precision Electric Co., Inc. (a Mesa business) (Secondary Vendor); cumulatively not to exceed \$100,000.00 annually.

Background / Discussion

The City currently has three Water Reclamation Plants, one Water Treatment Plant, sixteen Lift Stations, five Transfer Stations, sixteen Pump Stations and 46 Well Sites which have more than 200 motors in use at these facilities. This contract provides three qualified contractors (one primary and two secondary) to provide electric motor repair and rewind service and furnish, and install various sizes of new motors needed throughout these facilities, as needed. The three contractors competitively quote each motor as they are needed. Contracting with qualified contractors allows the City to achieve quality repair and rewind service of various motors throughout the City as well as removal/reinstallation of motors at various plants.

On August 23, 2012, Council approved the initial three-year contract with renewal options. This is the first, one-year renewal contract with one, one-year renewal option remaining.

All three vendors (Keller Electrical Industries, Inc., Laron, Incorporated, and Precision Electric Co., Inc. offered to renew the contract without a price increase. The vendors have also maintained pricing for the entire three-year initial term. In comparison to inflation, the Consumer Price Index has increased by 5.2% since the original bid in 2012. There are only a select few vendors that can provide this service, and the City is currently using three of the four local vendors. The City has been satisfied with each vendor's performance. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

Alternatives

Council may choose not to authorize the purchase and new bids will be obtained.

Fiscal Impact

The annual contract amount is funded by the Water Resources Department operating budget.

Coordinated With

Water Resources and Purchasing

PURCHASING INFORMATION

Action: Renewal

Procurement Type: Request for Proposals

Solicitation Number: 2012107

Responses Received: 4

Initial Contract Term: Three Years

Renewal Term: One Year

Renewal Terms Remaining: One, one-year renewal subject to future Council consideration

Best & Final Results:

| Offeror | Evaluation Results (1,000 Points Possible) |
|--|---|
| Keller Electrical Industries, Inc. – Phoenix, AZ | 792 Points |
| Laron Incorporated – Kingman, AZ | 773 Points |
| Precision Electric Co., Inc. – Mesa, AZ | 753 Points |
| Foster Electric Motor Service, Inc. – Chandler, AZ | 651 Points |

RENEWAL RECOMMENDATION

| Description |
|--|
| <p>Repairs/Rewinds and “As-Needed” New Motors – New motors will be competitively quoted among three vendors per Terms and Conditions, and Specifications</p> <p><u>Primary Vendor</u> Keller Electrical Industries, Inc. - Phoenix, AZ</p> <p><u>Secondary Vendors</u> Laron Incorporated - Kingman, AZ Precision Electric Co., Inc. - Mesa, AZ</p> <p>Annual Contract Amount: <u>\$100,000.00</u></p> |