



City Council Report

Date: July 8, 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: Three-Year Term Contract for Single Phase Pad Mounted Transformers for the Materials & Supply Warehouse (for the Energy Resources Department) (Citywide)

Purpose and Recommendation

Council is requested to approve the Term Contract for Single Phase Pad Mounted Transformers as recommended.

The Business Services and Energy Resources Departments, and Purchasing recommend awarding the three-year contract to the lowest, responsive and responsible bidder, Central Moloney, Inc. at \$202,200.00 annually, based on estimated requirements.

Background / Discussion

This contract will provide pad-mount distribution transformers to provide electric power delivery to the City's electric customers. Electric Utility will use the transformers for new customer service installations and equipment replacement installations.

New Department of Energy Efficiencies Standards (DOE 2016) will become effective January 1, 2016. Transformer pricing is expected to increase as a result of the new standards, and transformer manufacturers will not honor pricing that is not based on DOE 2016 standards.

The City received two bid responses: both vendors submitted pricing based on DOE 2016 standards, and one also submitted alternate pricing based current DOE 2010, which would only be valid for transformers ordered prior to 9/1/2015.

The award recommendation is based solely on the comparison of DOE 2016, and per Equipment Specifications U-610, bidder pricing is subject to evaluation based upon manufacturer stated loss values. Central Moloney, Inc. offered the lowest extended evaluated pricing (\$231,824.25), as well as the lowest extended price (\$186,670.00), and is being recommended for award.

Alternatives

Council may choose not to award the purchase and new responses will be obtained.

Fiscal Impact

The annual contract amount is funded by the Materials & Supply operating budget through the Warehouse Internal Service Fund.

Coordinated With

Energy Resources – Electric Utility, Business Services – Materials & Supply, and Purchasing

PURCHASING INFORMATION

Action: Initial Award

Procurement Type: Request for Bids

Solicitation Number: 2015245

Vendors Registered: ProcureAZ (511) and Vendor Self Service (16)

Advertising: Arizona Republic, Bid Net, ProcureAZ and Purchasing Website

Responses: 3 (1 No Bid response)

Local Consideration: Not applicable as there were no Mesa responses

Protests Received: None

Initial Contract Term: Three years

Possible Renewals: Two, one-year renewals subject to future Council consideration

Prices: Future price increases are capped by the Consumer Price Index

Pricing Available to Other Cooperative Agencies: Yes

June 17, 2015 Responses

	<u>Extended Evaluated Price</u>
Border States Industries	DOE 2010 - \$249,081.79
dba Border States Electric	DOE 2016 - \$250,241.94 (Alternate Bid)
Phoenix, AZ	
Central Moloney, Inc.	DOE 2016 - \$231,824.25 (Recommended)
Pine Bluff, AR	

No Bid Response received from
White Fish Energy Holdings LLC

AWARD RECOMMENDATION

Central Moloney, Inc.

Pine Bluff, AR

Description	
Single Phase Pad Mounted Transformers per Terms and Conditions, Specifications and Pricing as offered:	
7200V-240/120V, 25kVA, Specification U-1610 and Cut Sheet TU-279 at <u>\$1,592.00/each</u>	
7200V-240/120V, 50kVA, Specification U-1610 and Cut Sheet TU-329 at <u>\$1,923.00/each</u>	
7200V-240/120V, 75kVA, Specification U-1610 and Cut Sheet TU-354 at <u>\$2,262.00/each</u>	
7200V-240/120V, 100kVA, Specification U-1610 and Cut Sheet TU-380 at <u>\$2,607.00/each</u>	
7200V-240/120V, 167kVA, Specification U-1610 and Cut Sheet TU-425 at <u>\$4,118.00/each</u>	
Extended Bid Price	\$186,670.00
8.05% Mesa Sales Tax	<u>\$15,026.94*</u>
Price plus Sales Tax	\$201,696.94
Annual Contract Amount: <u>\$202,000.00</u>	
*Vendor to apply for Mesa TPT license per bid response.	