



# City Council Report

**Date:** June 6, 2016  
**To:** City Council  
**Through:** Alex Deshuk, Chief Innovation Officer  
**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 Electric Utility Distribution Transformers for the Materials and Supply Warehouse (for the Energy Resources Department)  
**(Citywide)**

## **Purpose and Recommendation**

Council is requested to approve the Term Contract for Electric Utility Distribution Transformers as recommended.

The Business Services, and Energy Resources Departments, and Purchasing recommend awarding the contract to Central Maloney, Inc.; and Border States Electric; cumulatively not to exceed \$1,083,235.00 annually, based on estimated requirements.

## **Background / Discussion**

This contract will provide electric utility distribution transformers as specified (O-1610 - Single Phase Conventional Transformer, U-1610 - Single Phase Pad Mounted Transformer and U-1630 – Two and Three Phase Pad Mounted Transformer) to provide electric power delivery to the City's electric customers. These transformers are required for new/revised customer service installations and equipment replacement installations. Materials and Supply places orders and maintains stock inventory as needed.

It is essential that Energy Resources have an adequate supply of distribution transformers in warehouse stock to handle both new construction and emergency replacement needs.

Specification U-1640 – Three Phase Submersible Transformer will not be awarded.

## **Alternatives**

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

## **Fiscal Impact**

The annual contract amount is available in the Materials and Supply operating budget through the Warehouse Internal Service Fund.

## Coordinated With

Business Services Department – Materials and Supply  
Energy Resources Department – Electric Utility  
Purchasing

### **PURCHASING INFORMATION**

Action: Initial Award

Procurement Type: Request for Bids

Solicitation Number: 2016172

Vendors Registered: ProcureAZ (418) and Vendor Self Service (23)

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

Downloads: 35

Responses: 3 (1 Non-Responsive)

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

### **May 2, 2016 Responses**

Vendor	Specification O-1610	Specification U-1610	Specification U-1630	Specification U-1640
Border States Electric Phoenix, AZ	\$176,767.16	\$269,355.88	<u>\$601,617.82</u> (Recommended)	No Bid
Central Moloney, Inc. Pine Bluff, AK	<u>\$172,292.12</u> (Recommended)	<u>\$234,788.28</u> (Recommended)	\$738,012.34	No Bid

ABB, Inc. - Jefferson City, MO

Non-Responsive - Offered less than 1-year firm pricing; Non-agreeable to Terms and Condition; Did not meet numerous specifications (Specification O-1610 - quoted with taps and without IFD pressure device as required; Specification U-1610 - quoted with dial type thermometer not required per Specification; Specification U-1630 - quoted Items 24 and 27 with incorrect secondary windings; and Specification U-1640 - quoted incorrect secondary terminals.

## **AWARD RECOMMENDATION**

Description	
Electric Utility Distribution Transformers per Contract No. 2016172, Terms and Conditions, Specifications and Pricing as offered, plus applicable Taxes	
<b><i>Central Moloney, Inc. – Pine Bluff, AK</i></b>	
(O-1610 - Single Phase Conventional Transformers, and U-1610 - Single Phase Pad Mounted Transformers	
Base	\$407,080.40
5.6% Use Tax	<u>\$22,796.50</u>
Total	\$429,876.90
<b><i>Border States Electric – Phoenix, AZ</i></b>	
<u>U-1630</u> – Two and Three Phase Pad Mounted Transformers	
Base	\$601,617.82
8.6% Sales Tax	<u>\$51,739.12</u>
Total	\$653,356.84
<b>Annual Contract Amount: <u>\$1,083,235.00</u></b> (cumulatively not to exceed)	