



City Council Report

Date: July 8, 2019
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: One-Year Renewal with One Year Renewal Option to the Term Contract for Electric Utility Distribution Transformers for the Materials and Supply Warehouse (for the Energy Resources Department) **(Citywide)**

Recommendation

Council is requested to approve the contract renewal as recommended.

The Business Services, and Energy Resources Departments, and Purchasing recommend authorizing the renewal with Central Maloney, Inc.; and Border States Electric; at \$1,583,235 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This contract provides 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) essential for 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.

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

Central Maloney, Inc. have agreed to renew the contract under the same terms, conditions and current pricing. Border States Electric requested a 10.34% increase on all items which is in line with the pricing escalation language agreed to in the contract. The City believes rebidding this contract would likely expose the City to higher prices for these services. 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.

Purchase Information

Action: Renewal (1st of 2 possible)
Procurement Type: Request for Bids
Contract Number: 2016172
Responses Received: 2
Original Council Award Date: 6/6/2016

Initial Contract Term: Three years

Possible Renewals: Up to a maximum of two years, renewals subject to Administrative review and approval

Funding Source: Business Services Department - Materials and Supply operating budget through the Warehouse Internal Services Fund

RENEWAL RECOMMENDATION
<p>Electric Utility Distribution Transformers per Contract No. 2016172, Terms and Conditions, Specifications and Pricing as offered, plus applicable Taxes</p> <p><i>Central Moloney, Inc. – Pine Bluff, AK</i> (<u>O-1610</u> - Single Phase Conventional Transformers, and <u>U-1610</u> - Single Phase Pad Mounted Transformers</p> <p><i>Border States Electric – Phoenix, AZ</i> <u>U-1630</u> – Two and Three Phase Pad Mounted Transformers</p> <p>Annual Contract Amount: <u>\$1,583,235.00</u></p>