



# City Council Report

**Date:** December 8, 2022  
**To:** City Council  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Kristy Garcia, Procurement Administrator  
**Subject:** Three-Year Term Contract with Two Years of Renewal Options for Electric Utility Distribution Transformers for the Materials and Supply Warehouse (for the Energy Resources Department) **(Citywide)**

## Recommendation

Council is requested to approve the award as recommended.

A committee representing the Business Services and Energy Resources Departments and Purchasing recommend awarding the contract to the qualified proposals from Border States Industries, Inc. dba Border States Electric Supply; and WEG Transformers USA, LLC at \$3,262,500 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

## Background / Discussion

This contract will establish a list of qualified vendors who will respond to quotes for electric utility distribution transformers, as needed. These transformers are required to provide electrical service to new and upgraded commercial and residential services, as well as routine lifecycle replacement of depreciated units.

On September 13, 2021, Council awarded Contract 2021264, with a one-year term and renewal options, to Anixter, Inc., and Power Partners, LLC for \$1,070,000 annually. The existing contract was renewed for a second year, at which time, Power Partners, LLC opted not to renew due to supply chain issues, leaving only one active vendor remaining with lengthy lead times. Additionally, on October 17, 2022, Council also approved ratification of an emergency purchase for \$1,498,864 for 63 electrical transformers to maintain adequate stock while the solicitation and award process was being performed for the new contract.

The award of this contract will provide additional qualified vendors and contract funds to the City's portfolio of purchase methods via an increase of options for competitive participation, and item availability and lead times dependent on the supply chain conditions at the time of quote. This contract will allow the City to sustain the pace of growth in utility needs and the demand for the replacement of failing transformers.

The City received four proposal responses of which two were deemed Non-Responsive.

The evaluation committee evaluated the proposals in accordance with the City's established policies and procedures. The committee completed scoring of the responses against the scoring criteria in the solicitation. Based on the evaluation results, the committee recommends award to all three qualified respondents.

### **Purchase Information**

Action: Award  
Procurement Type: Request for Proposals  
Contract Number: 2023007  
Local Consideration: Policy did not apply to this procurement method  
Protests Received: None  
Initial Contract Term: Three Years  
Possible Renewals: Up to a maximum of two years subject to Administrative review and approval  
Funding Source: Business Services Department - Materials and Supply operating budget through the Warehouse Internal Services Fund

### **Proposal Responses and Final Scoring**

Respondent	Total Points Possible / 100
Border States Industries, Inc. dba, Border States Electric Supply - Phoenix, AZ (Recommended – Qualified Vendor)	<u>85.00</u>
WEG Transformers USA, LLC. – Washington, MI (Recommended – Qualified Vendor)	<u>84.75</u>

#### Non-Responsive:

Anixter, Inc. – Phoenix, AZ  
Graybar Electric Company, Inc. – Phoenix, AZ

#### No Bid Response:

Caltrol, Inc.  
McMaster-Carr  
MRC Global US, Inc.  
OneSource Supply Solutions  
Rogers-Strong Associates, Inc.  
Southern States, LLC.