

CITY COUNCIL MEETING
AUGUST 5, 1987

RESOLUTION CONCURRING
IN STAFF ACTION
REGARDING AWARD OF
BID FOR ALUMINUM CABLE

RES. NO. 87-95

Council adopted Resolution No. 87-95 concurring with staff action regarding bid for, and purchase of, 45,000 feet of 477 MCM Bare Aluminum electrical cable.

CC-12(d)
CC-20

Pursuant to Lodi Municipal Code 3.20.100 (Open Market Procedure) bids will be sought from the current list of cable suppliers and bids will be opened August 7, 1987. The purchase order will be awarded immediately thereafter to the lowest responsible bidder meeting the bid specifications.

The cable will be used primarily for three projects scheduled for late 1987. The estimated cost is \$27,000 for which adequate funds are available from the Electric Department's operating budget.

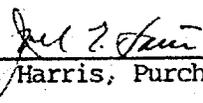
COUNCIL COMMUNICATION

TO: THE CITY COUNCIL	COUNCIL MEETING DATE	NO.
FROM: THE CITY MANAGER'S OFFICE	August 5, 1987	
SUBJECT: ADOPT RESOLUTION CONCURRING IN STAFF ACTION REGARDING AWARD OF BID FOR ALUMINUM CABLE		

Recommended Action: That the City Council adopt a Resolution concurring with staff action regarding bid for, and purchase of 45,000 feet of 477 MCM Bare Aluminum electrical cable. Staff action will follow rules set forth in LMC 3.20.100 (Open Market Procedure), thereby expediting the bid process for reasons described in Exhibit A, attached.

Background Information: The cable will be used primarily for three projects scheduled for late 1987, as shown on Exhibit A. The estimated cost of the purchase is \$27,000, for which adequate funds are available from the Electric Department's operating budget.

Planned Staff Action: Bids will be sought from the current list of cable suppliers (there are ten suppliers now on the list), and bids will be opened August 7. The purchase order will be awarded immediately thereafter to the lowest responsible bidder meeting the bid specifications.



Joel E. Harris, Purchasing Officer

cc: Director, Electric Utility Department
Asst. Director, Electric Utility Department

EXHIBIT "A"

MEMORANDUM

July 27, 1987

TO: CITY MANAGER, FINANCE DIRECTOR, UTILITY DIRECTOR

FROM: PURCHASING OFFICER

SUBJECT: PURCHASE OF 477 MCM BARE ALUMINUM CONDUCTOR

RECOMMENDED ACTION: That the Purchasing Department immediately seek bids for 45,000 feet of 477 MCM Bare Aluminum Conductor, and award the bid to the lowest responsible bidder which meets the delivery timetable required by the bid specifications.

BACKGROUND INFORMATION: This cable will be used primarily for three projects scheduled for late 1987:

General Mills	25,000 feet (estimate)	
Feeder Line - Lockeford to Pine	12,600 feet	"
Minton Co.	<u>2,600 feet</u>	"
	40,200 feet	

The estimated cost of this purchase is \$27,000. Sufficient funds are available in the Electric Department's operating fund for this purchase.

There are two primary reasons to request exception to the formal bid procedure on this purchase:

1. The General Mills project timetable stipulates that all work must be completed by December 31, 1987. Following the formal bid procedure would result in a September 3 date as the earliest an order could be awarded. Delivery leadtime thereafter would place undue pressure on the Utility Department to complete the work on time. To proceed immediately with bidding would provide an additional three weeks with which to work.
2. A tight supply market appears to be developing, with a major factor being the status of Kaiser Aluminum's sale of their Bay Area Plant. Kaiser has said that if they are unable to find a buyer for the plant they will close it. A recent offer fell through, leaving a greater likelihood of such closure in the undeterminate future.

Supply representatives last week indicated a growing feeling in the industry that "users do not want to find themselves short of aluminum conductor this fall as sources of supply become more and more uncertain." The feeling is that the Kaiser Plant will indeed close, resulting in a tight market with longer leadtimes and potentially higher prices this fall.

I recommend we proceed immediately with the informal bid procedure.

RESOLUTION NO. 87-95

RESOLUTION CONCURRING IN STAFF ACTION REGARDING
THE AWARD OF BID FOR ALUMINUM CABLE

WHEREAS, Lodi Municipal Code Section 3.20.100 sets forth open market procedures, thereby expediting the bidding process; and

WHEREAS, the purchasing department is desirous of seeking bids for 45,000 feet of 477 MCM Bare Aluminum Conductor for use primarily for three projects scheduled for late 1987:

General Mills	25,00 feet (estimate)
Feeder Line-Lockeford to Pine	12,600 feet
Minton Company	2,600 feet
	<hr/>
	40,200 feet

WHEREAS, the primary reasons for requesting exception to the formal bid procedures are:

1. The General Mills project timetable stipulates that all work must be completed by December 31, 1987. Following the formal bid procedure would result in a September 3 date as the earliest an order could be awarded. Delivery leadtime thereafter would place undue pressure on the Utility Department to complete the work on time. To proceed immediately with bidding would provide an additional three weeks with which to work.
2. A tight supply market appears to be developing, with a major factor being the status of Kaiser Aluminum's sale of the Bay Area Plant. Kaiser has said that if they are unable to find a buyer for the plant they will close it. A recent offer fell through, leaving a greater likelihood of such closure in the undeterminate future.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby direct the purchasing department to immediately seek bids for 45,000 feet of 477 MCM Bare Aluminum Conductor and to award the bid to the lowest responsible bidder which meets the delivery timetable required by the bid specifications.

Dated: August 5, 1987

I hereby certify that Resolution No. 87-95 was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 5, 1987 by the following vote:

Ayes: Council Members - Olson, Reid, and Snider

Noes: Council Members - None

Absent: Council Members - Pinkerton and Hinchman

Alice M. Reimche
Alice M. Reimche
City Clerk