



PURCHASING ITEM FOR COUNCIL AGENDA

MEMO NO. TE08-001

1. Agenda Item Number:

41

2. Council Meeting Date:

August 9, 2007

TO: MAYOR & COUNCIL

3. Date Prepared: July 24, 2007

THROUGH: CITY MANAGER

4. Requesting Department: Public Works

5. SUBJECT: Approve purchase of streetlight poles and arms through use of purchase orders pursuant to Bid No. TE5-285-2128 from Cem-Tec Corporation in an amount not to exceed \$50,000.

6. RECOMMENDATION: Approve purchase of streetlight poles and arms through use of purchase orders pursuant to Bid No. TE5-285-2128 from Cem-Tec Corporation in an amount not to exceed \$50,000.

7. BACKGROUND/DISCUSSION: This purchase is for the replacement of damaged streetlight poles as a result of traffic accidents or corrosion, and for miscellaneous streetlight installations to increase lighting levels in older developed areas. This contract will be used on an as-needed basis by the issuance of purchase orders, and therefore the amount is an estimate based on the previous three-year history. Staff has estimated that approximately 85 streetlights may be replaced and/or upgraded during the term of the contract, which is a 23% increase from last year's 69 streetlights.

8. EVALUATION PROCESS: In July 2005, a bid was awarded for the purchase streetlight poles and arms to Cem-Tec. The purchases were made by the use of purchase orders. The bid provided for up to four additional one-year extensions upon mutual agreement between the City and the contractor. This is the second one-year extension, and the contractor has agreed to a 4.5% price increase. Galvanizing surcharge has increased from \$1.50/cwt to \$6.50/cwt, while labor costs have increased by 5%. Additionally, staff is projecting the need for more pole replacements due to the increasing number of poles in the system and aging poles needing replacement due to rusting. Staff is satisfied with the services provided by the current contractor, and by renewing, the City is avoiding administrative costs associated with rebidding and has guaranteed prices for the one year extension beginning October 1, 2007.

9. FINANCIAL IMPLICATIONS: Funding is available from the Risk Management Self-Insurance fund and streetlight upgrade project in the Capital Improvement Program. Poles will be purchased through the CIP, and partially reimbursed through Risk Management. Risk Management recovers approximately 80% of the cost for damaged poles through insurance companies and/or persons involved. The remainder will be funded from the City's self-insurance. This contract does not obligate the City, and funds will not be encumbered until there is a need and a purchase order is issued.

Cost: \$50,000

Savings: \$0

Long Term Costs: N/A

Funding Source:

Acct No.:	Fund:	Program Name:	CIP Funded:	Funds:
411.3310.0000.6517.8ST051	General Obligation Bonds	Streetlight Upgrade	FY07-08	\$50,000

10. PROPOSED MOTION: Move to approve purchase of streetlight poles and arms through use of purchase orders pursuant to Bid No. TE5-285-2128 from Cem-Tec Corporation in an amount not to exceed \$50,000.

APPROVALS

11. Requesting Department:

Mike Normand, Acting Assistant Public Works Director/Transportation & Operations

12. Department Head:

Daniel W Cook, Acting Public Works Director

13. Procurement Officer:

Thomas W. North, CPPB

14. City Manager's Office:

W. Mark Pentz

EXHIBIT A, PRICING

TE5-285-2128

10/1/07-9/30/08

<u>Line No</u>	<u>DESCRIPTION</u>	<u>NEW \$</u>
1	SL-1, 31' RD, DIRECT BURIAL W/ 4- 6" ARM	\$ 470
2	SL-1, 35' RD, DIRECT BURIAL W/ 6' 6" ARM	\$ 512
3	SL-1, 35' RD, DIRECT BURIAL W/ DBL 6' 6" ARM	\$ 565
4	SL-16, 36' X 4" SQ, DIRECT BURIAL W/ 16" ARM	\$ 473
5	SL-16, 36' X 4" SQ, DIRECT BURIAL W/ DBL 16" ARM	\$ 503
6	SL-16, 28' 6" X 4" SQ, DIRECT BURIAL W/ 12" ARM	\$ 410
7	SL-6, 30' RD. SINGLE ARM APS DIRECT BURIAL	\$ 398
8	SL-8, 38' 6" RD. SINGLE ARM APS DIRECT BURIAL	\$ 577
9	SL-1, 4' 6" ARM	\$ 69
10	SL-1, 6' 6" ARM	\$ 84
11	SL-1, DOUBLE 6' 6" ARM	\$ 137
12	SL-6, 6' MAST ARM	\$ 57
13	SL-8, 8' MAST ARM	\$ 62
	<u>ANCHOR BASE POLES</u>	
14	SL-1, 30' RD, ANCHOR BASE W/ 4' 6" ARM	\$ 485
15	SL-1, 35' RD, ANCHOR BASE W/ 6' 6" ARM	\$ 518
16	SL-1, 35' RD, ANCHOR BASE W/ DBL 6' 6" ARM	\$ 576
17	SL-16, 30' SQ, ANCHOR BASE W/ 16" ARM	\$ 468
18	SL-16, 30' SQ, ANCHOR BASE W/ DBL 16" ARM	\$ 498
19	SL-16, 22' 6" SQ, ANCHOR BASE W/ 16" ARM	\$ 402
20	SL-6, 25' RD, ANCHOR BASE W/ 6' MAST ARM	\$ 420
21	SL-8, 30' RD, ANCHOR BASE W/ 8' MAST ARM	\$ 595