



# City Council Report

**Date:** February 17, 2009  
**To:** City Council  
**Through:** Bryan Raines, Deputy City Manager  
**From:** Edward Quedens, Procurement Services Director  
**Subject:** Dollar Limit Increase to the Term Contract for 69kV Transmission Poles and Hardware for the Utilities Department, Electric Division (Mesa Contract #2008146)  
"Citywide" contract

## Purpose and Recommendation

Council is requested to approve a Dollar Limit Increase to the Term Contract for 69kV Transmission Poles and Hardware as recommended.

The Business Services Department recommends increasing the dollar limit of the contract with Valmont Ind., Inc. dba Valmont-Newmark by \$109,482.80 to \$641,828.24 annually, based on estimated requirements.

## Background

This contract provides replacement utility poles and required insulators and line hardware to carry electric transmission lines that serve Mesa's electric utility customers. These steel poles include a "Stopper Pole Design" that minimizes catastrophic cascading failures, attributable to micro-bursts, from occurring and were selected for their strength and durability.

Council awarded this contract in June 2008, but due to the volatility in the cost of materials used in the manufacture of these poles prices were firm for only a two-week period. As a result, the cost for steel poles increased by \$11,323.00. An increase in the cost for concrete poles, along with the need for additional poles and step bolts, resulted in a \$77,151.50 increase. The addition of shipping charges and higher taxes to accommodate the additional material costs resulted in another \$21,008.30 increase. Thus, the total cost for this contract has escalated \$109,482.80 over the original contract price.

## Alternatives

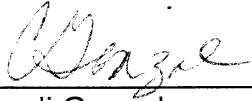
Council may choose not to approve this increase and new bids will be obtained parts.

## Fiscal Impact

The total amount of \$641,828.24 is available in the Utilities Department's budget.

**Coordinated With:**

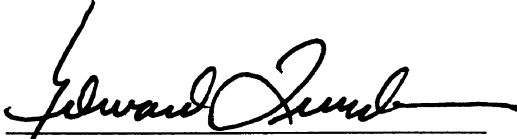
Utilities Department, Electric Division



Cyndi Gonzales,  
Management Assistant II



Jim Ruiz, CPPB  
Purchasing Administrator



Edward Quedens, C.P.M.  
Business Services Director



Bryan Raines,  
Deputy City Manager

**CITY OF MESA  
DOLLAR LIMIT INCREASE  
TERM CONTRACT FOR 69KV TRANSMISSION POLES, INSULATORS,  
ASSEMBLIES AND HARDWARE  
(REQUEST FOR BID #2008146)**

**Valmont-Newmark  
Tulsa, OK**

<b>Purchase Order Number</b>	<b>Existing Purchase Order Amount</b>	<b>Requested Increase Amount</b>	<b>Revised Purchase Order Amount</b>
103235	\$532,345.44	<b>\$109,482.80</b>	<b>\$641,828.24</b>