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**CITY COUNCIL COMMUNICATION**

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**TO:** Mayor and Council  
**FROM:** Jenny Howard, Utility Director  
**SUBJECT:** 8<sup>th</sup> Avenue Rebuild Project – Steel Poles  
**DATE:** Monday, August 14, 2017 at 6:00 p.m.

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**Purpose and Recommended Action:**

This procurement consists of steel manufacturing services for Tubular Steel Distribution Poles for the 8th Avenue Rebuild Project. Funding will be provided from the current City Council adopted budget for the Electric Division Capital Improvements, CIP No. EL2001.

It is the recommendation of T&D Services and the Utility Director that the City Council award to TransAmerican Power Products (TAPP) in the amount of \$30,543.00.

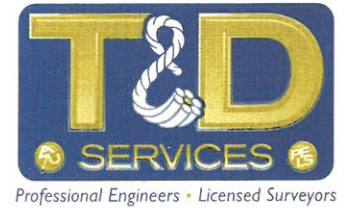
**Background:**

The steel poles are for the 8th Avenue Rebuild Project, which consists of the rebuild of the double circuit from the Substation on 8<sup>th</sup> Avenue north to 7<sup>th</sup> Street. This line is crucial as it serves the majority of our system.

**Analysis:**

In June 2017, following formal bidding procedures, we solicited bids, bids were due on July 20, 2017; eight proposals were received and they are summarized below:

<u>Bidder</u>	<u>Bid Amount</u>
Arizona Sun Sales	\$19,120.12
TransAmerican Power Products (TAPP)	\$30,543.00
Graybar	\$32,492.56
Gormanco	\$33,498.00
Border States	\$34,670.64
National Pole & Structure	\$42,075.00
Western Utility Telecom	\$54,800.00
Trinity Meyer	\$57,269.00



July 26, 2017

Hilary Cuenin – Project Management Assistant  
City of Safford  
405 W. Discovery Park Blvd  
Safford, AZ 85546

Re: 8<sup>th</sup> Ave to 7<sup>th</sup> St Rebuild

Dear Hilary:

I have reviewed the steel pole proposals for the referenced project which you sent to me following the bid opening in Safford on July 20<sup>th</sup> 2017. There were eight proposals submitted, and a recap of the ranked results you recorded is:

Arizona Sun Sales (McWane Poles, only 5 of 7 poles bid)	\$19,120.12
TransAmerican Power Products (TAPP)	\$30,543.00
Graybar (TAPP)	\$32,492.56
Gormanco (MD Henry)	\$33,498.00
Border States (MetalPol)	\$34,670.64
National Pole & Structure	\$42,075.00
Western Utility Telecom	\$54,800.00
Trinity Meyer	\$57,269.00

Many of the bids were lacking in some of the information requested in the RFP, so it couldn't be determined if they fully meet our specifications. Others did not even offer what we were requesting. The best and fully complete bid is from TAPP. A few of the issues with some of the other bids are outlined below.

Arizona Sun Sales only bid on the 5 wood pole equivalents, and not the two engineered foundation poles we requested. Comparing their price on just the wood pole equivalents they were the third highest on these alone. There was very little technical information included with their bid to evaluate. Note that in checking their pricing, their total was one penny off what it should have been and what you recorded.

Graybar's bid was complete; however they simply went to TAPP to get a bid and then added a markup. The poles they offer are TAPP poles and are exactly the same as the ones in the bid directly from TAPP, but at a higher cost.

Border States included steel cross-arms in their bid which were not requested. There was very little technical information provided to evaluate the poles, and a lump sum price was given instead of line item pricing for each pole.

National Pole & Structure also included cross-arms in their bid, and had incomplete technical information.

The other bids were acceptable as far as meeting the specifications of the RFP. Most of the lead times on the poles fall in the 10-14 week range.

After reviewing all the bids I am recommending that City of Safford accept the proposal from TAPP in the amount of **\$30,543.00**. Theirs is the best price on the complete set of poles, and they have the best unit price for the steel, at \$1.42/lb. The lead time on their poles is 11-12 weeks after receipt of an order. TAPP has provided steel poles on numerous projects of ours (including the Phase III Distribution project we did for you in 2015) and we have always been very satisfied with their product, pricing, customer service and delivery. They have always met the lead times offered.

If you have any questions on any of the bids please let me know.

Sincerely,



Tim McLellan. P.E.