

**CITY OF TEMPE
REQUEST FOR COUNCIL ACTION**
**Council Meeting Date: 11/7/2013
Agenda Item: 5B8**

ACTION: Award one-year contracts with two, two-year renewal options to Foster Electric Motor Service, Keller Electrical Industries, Inc., and Precision Electric Company, Inc. for the maintenance, repair, and purchase of electric motors for the Public Works Department.

FISCAL IMPACT: Total combined cost of the one-year contracts will not exceed \$300,000. Sufficient funds have been appropriated in cost centers 3013, 3014, 3015, and 3016 (Water/Wastewater Fund) for the anticipated expenditures during the current fiscal year.

RECOMMENDATION: Approve the contract awards.

BACKGROUND INFORMATION: (IFB #14-059) The City issued an Invitation for Bid to establish a contract for the maintenance, repair and purchase of electric motors ranging in size from fractional to 900 horsepower for use in the production of drinking water on an as needed basis. The Public Works Department currently has approximately 200 electric motors in use which range in cost from \$245 to \$99,000.

Evaluation Process

The City received (3) three responses to the City's Invitation for Bid. The pricing for each firm is as follows:

		Foster Electric Motor Service	Keller Electrical Industries, Inc.	Precision Electric Company, Inc.
	<u>Electric Motors</u>			
1	Flyght – 3 H.P., 460 Volt, 4.3A, 3 Phase	\$5,215.00	\$4,970.59	\$5,160.00
2	Flowserve – 3 H.P., 460 Volt, 3.0A, 3 Phase	\$6,384.00	\$6,530.59	\$6,168.00
3	Flowserve - 40 H.P., 460 Volt, 49A, 3 Phase	\$18,334.00	\$18,756.47	\$17,700.00
4	U.S. Motor – 1.5 H.P., 460 Volt, 2.50A, 3 Phase	\$246.00	\$310.05	\$290.00
5	U.S. Motor - 10 H.P., 460 Volt, 11.9A, 3 Phase	\$700.00	\$704.00	\$712.00
	Total	\$30,879.00	\$31,271.70	\$30,030.00
	<u>Hourly Labor Rates</u>			
6	Straight Time - Hourly labor rate	\$74.00	\$60.00	\$55.00
7	Straight Time - Hourly shop labor rate	\$59.00	\$50.00	\$45.00
8	Straight Time - Hourly machine shop labor rate	\$74.00	\$65.00	\$45.00
9	Overtime - Hourly labor rate	\$84.00	\$81.00	\$74.50
10	Overtime - Hourly shop labor rate	\$79.00	\$67.50	\$60.75
11	Overtime - Hourly machine shop overtime labor rate	\$84.00	\$87.75	\$60.75
	Total	\$454.00	\$411.25	\$341.00
12	<u>Percentage off list price for electric motors, parts, etc. for each manufacturer listed below.</u>			
	Baldor	35.00%	35.00%	35% to 40%
	Ebara	15.00%	5.00%	0.00%
	Emerson U.S. Motor	65.00%	45.00%	0.00%

	Flowserve	5.00%	5.00%	0.00%
	Flyght	10.00%	5.00%	0.00%
	General Electric	40.00%	10.00%	28% to 45%
	Ideal	0.00%	5.00%	0.00%
	Reliance	45.00%	35.00%	35% to 40%
	Siemens	15.00%	25.00%	0.00%
	US Motors	65.00%	45.00%	36% to 57%
	Yukawa	0.00%	5.00%	0.00%
	<i>Tesco Westinghouse</i>	50.00%	50.00%	
	<i>Toshiba</i>		45.00%	
	<i>Lesson</i>		40.00%	36% to 45%
	<i>Marathon</i>		30.00%	28% to 36%
	<i>Weg Electric Motors</i>			40% to 48%
	<i>Century Electric Motors</i>			35% to 40%

Staff recommends a multiple award to Foster Electric Motor Service, Keller Electrical Industries, Inc., and Precision Electric Company, Inc. Due to the varied discounts and pricing submitted by the firms it is in the City's best interest to award to all firms which will allow the Water Utilities Division to select the most cost appropriate firm(s) for any specific project.

ATTACHMENTS: Bids

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Department Director: Don Bessler, Public Works Director
 Legal review by: David Park, Deputy City Attorney
 Prepared by: Ted Stallings, CPPB, Procurement Officer