



ALAMEDA MUNICIPAL POWER

A Department of the City of Alameda

AGENDA ITEM NO: 4.I.1
MEETING DATE: 02/23/2021
ADMINISTRATIVE REPORT NO.: 2021-44
ACTION: BY MOTION

To: Honorable Public Utilities Board

Submitted by: _____ */s/*
Robert Orbeta
AGM - Administration

From: Roger Yang
Support Services Manager

Approved by: _____ */s/*
Nicolas Procos
General Manager

Subject: By Motion, Authorize the General Manager to Issue a Purchase Order to The Okonite Company in an Amount Not to Exceed \$688,500 with a Contingency of \$34,500 for a Total Amount Not to Exceed of \$722,900 to purchase 45,000 Feet of 1/0 AWG, and 40,500 Feet of 500 KCMIL Underground Distribution 15 Kilovolt Power Cable per Material Specification No. MS 09-18-01

RECOMMENDATION

By *motion*, authorize the General Manager to issue a purchase order to The Okonite Company in an amount not to exceed \$688,500 with a contingency of \$34,500 for a total amount not to exceed of \$722,900 to purchase 45,000 feet of 1/0 AWG, and 40,500 feet of 500 KCMIL underground distribution 15 kilovolt power cable per Material Specification No. MS 09-18-01.

BACKGROUND

By Resolution No. 5154, issued November 5, 2018, the Public Utilities Board (Board) authorized Alameda Municipal Power (AMP) to award purchases to The Okonite Company (Okonite) to supply 1/0 American Wire Gauge (AWG) and 500 KCMIL underground distribution 15 kilovolt (kV) power cable in accordance with Material Specification No. MS 09-18-01. These purchase awards were executed with initial one-time purchases with options to purchase additional materials through December 31, 2021.

Staff last purchased 500 KCMIL power cable and 1/0 AWG power cable in May 2020. All power cables ordered under the previous purchases have been delivered.

DISCUSSION

The following table lists the proposed power cable purchase with the last column showing the quantity recommended for purchase to replenish stock for emergency repairs and based upon new development project needs such as East Bay Municipal Utility District (EBMUD) Pump Station Project, Local Capital Group Projects at Marina Village Parkway and Atlantic Avenue,

Harbor Bay Parkway, and Alameda Point Adaptive Reuse Area Phase 1.

Table 1: Power Cables

| AMP Item Code | Description | Vendor | Recommended for Purchase |
|---------------------|--|---------|-----------------------------|
| 03676 | 1/0 AWG Underground Distribution Power Cable | Okonite | 45,000 feet |
| 03865 | 500 KCMIL Underground Distribution Power Cable | Okonite | 40,500 feet |
| TOTAL | | | 85,500 feet |

Staff requested current quotations from Okonite to supply power cable recommended for purchase under the multi-year award previously authorized by the Board per Resolution No. 5154. Okonite quoted unit pricing that conformed to the price adjustment indices for future purchases outlined in the final awards and provided necessary supporting calculations and documentation. Therefore, Okonite conformed to the price adjustment requirements for future purchases outlined in final awards for Material Specification No. MS 09-18-01.

Staff recommends issuance of a purchase order to Okonite in an amount not to exceed \$688,500 including sales tax and shipping for 1/0 AWG, and 500 KCMIL underground distribution 15 kV power cable. In addition, staff recommends a contingency in an amount not to exceed \$34,500 for 5 percent manufacturing tolerance band for 1/0 AWG and 500 KCMIL underground distribution power cable. Use of the contingency shall be for adjustments to quantity and cost if necessary to reflect actual cable reel lengths delivered in accordance with manufacturing tolerance bands.

FINANCIAL IMPACT

AMP has sufficient funds in its fiscal year 2021 budget for the purchase of underground power cables. Per AMP Rules and Regulations, subdivision developers will reimburse AMP for 100 percent of underground distribution power cable cost and 60 percent of trunk power cables cost.

LINK TO STRATEGIC PLAN

Business Resiliency, Strategy 1: AMP will develop an asset management plan to guide efficient capital and maintenance expenditures which improve system operations and resiliency.

EXHIBIT

- A. Underground Distribution Power Cable Purchase Cost Summary

Underground Distribution Power Cables Purchase Cost Summary
 MS 09-18-01

| Material Specification | Bid Item Number | AMP Code | Description | Vendor | Awarded Unit Cost (Including 9.25% CA Sales Tax) | Current Unit Cost (Including 9.75% CA Sales Tax and Price Adjustments) | Unit of Measurement | Unit Quantities Recommended for Purchase | Cost to Purchase Recommended Quantities | Cost of Contingency for Manufacturing Tolerance Bands - +5% | Total Cost Including Contingency |
|---|-----------------|----------|--|---------|--|--|---------------------|--|---|---|----------------------------------|
| MS 09-18-01 | 1 | 03676 | 1/0 AWG Underground Distribution 15 Kilovolt Copper Power Cables | Okonite | \$3.94 | \$4.63 | FT | 45,000 | \$208,316 | \$10,416 | \$281,732 |
| MS 09-18-01 | 3 | 03865 | 500 KCMIL Underground Distribution 15 Kilovolt Copper Power Cables | Okonite | \$9.89 | \$11.85 | FT | 40,500 | \$480,091 | \$24,005 | \$504,096 |
| *Note: Includes CA sales tax and shipping and handling | | | | | | | | *TOTAL | \$688,407 | \$34,421 | \$722,828 |
| **Note: Rounded up to next largest whole numbers. Includes CA sales tax and shipping and handling | | | | | | | | **TOTAL | \$688,500 | \$34,500 | \$722,900 |