



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title: Recommendation to Approve Purchase Order with Novinium for Cable Injection Services

Presenter: Tom Bruhl

Please check appropriate box:

<input type="checkbox"/>	Government Operations	<input checked="" type="checkbox"/>	Government Services 04.28.14
<input type="checkbox"/>	Planning & Development		City Council
<input type="checkbox"/>	Public Hearing		

Estimated Cost:	\$62,000	Budgeted:	YES	<input checked="" type="checkbox"/>	NO	
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If NO, please explain how item will be funded:

Executive Summary:

Purchasing went out for bids. There are two companies, Novinium and UtilX, in the cable injection market and each vendor has a different process. The City prefers the Novinium process and the Novinium warranty. The 40 year warranty Novinium offers is twice as long as the warranty offered by their competitor. Novinium has been injecting cable in the City for the last four years and has been a very good vendor. Their bid offering equates to holding pricing from 2013 levels. Plus, Novinium has offered two additional years at firm pricing with the potential to reduce the cost per foot after 50,000 feet of injection. Staff recommends continuing with Novinium and taking advantage of their offer for a multi-year agreement that will provide the City very favorable terms.

Attachments: *(please list)*

Bid tabulation

Recommendation / Suggested Action *(briefly explain):*

Recommendation to approve purchase order with Novinium for Cable Injection Services in the amount of \$62,000.

For office use only:

Agenda Item Number: 6.e

1.0 PRICING SHEET

Cable Injection Proposal

\$ <u>4,913.10</u>	Theoretical labor cost to complete subdivision
\$ <u>92.70</u>	Injection Tech labor cost per manhour
\$ <u>34,990.00</u>	Theoretical total material cost
\$ <u>3.00</u>	Injection Fluid material cost per foot
\$ <u>115.00</u>	Injection Elbow material cost per unit
\$ <u>50.00</u>	Cold shrink live term (injection adapter) cost per unit
\$ <u>39,903.00</u>	Theoretical total contractor cost to complete subdivision

Length of Warranty 40 years for Sustained Pressure Rejuvenation (SPR)

Rear Lot Differential Cost (if applicable) \$ 0.00

- If there are opportunities to have a multi-year agreement, please provide proposals for such.

Novinium Multi-year Proposal

We will hold our prices for a three-year period.

- If there are options for a declining cost structure based on footage injected, please provide proposals on such.

Novinium Cost Structure Proposal

Once the City of St. Charles collectively injects over 50,000 ft. in the next three-year period, we will reduce the cost of injection fluid to \$2.75 per ft. on future footage in the contract period, provided the 50,000 ft. milestone is reached.

Note: To clarify our delivery date, Novinium's standard work start is 30-days after placement of a work order and Notice to Proceed. We can however, start work in March in as few as 7-calendar days following your work order. Please understand if a work start date is requested, which is less than 30-days following the work order, charges may apply for an expedited project start. As always, we will strive to meet the needs of the City of St. Charles.

BID: '14 CABLE INJECTION PRICING SHEET

#140227A

BIDDER	THEORETICAL LABOR COST TO COMPLETE SUBDIVISION	PER MAN-HOUR	THEORETICAL TOTAL MATERIAL COST	FLUID MATERIAL COST	ELBOW MATERIAL COST	COLD SHRINK LIVE TERMINATION COST	THEORETICAL CONTRACTOR COST TO COMPLETE SUBDIVISION
Novinium, Inc., 34110-9 th Ave. S., Ste. #B, Federal Way, WA 98003-6710	\$4,913.10	\$92.70	\$34,990	\$3.00/'	\$115	\$50	\$39,903
UtilX Corp. 22820 Russell Rd. Kent, WA 98032-4892	8,400.00	75.00	20,015	1.54	75	75	28,415
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MWS:cjb