

# EXECUTIVE BRIEF UTILITY MEETING

**AGENDA DATE:** June 28, 2022

**DEPARTMENT:** Electric Utility

**TITLE:**

Change Order to Purchase Order 187340 with Cleaveland Price Inc.

**SUMMARY:**

The Change Order authorizes a freight charge of \$1,264 to be added to Purchase Order 187340, with Cleaveland Price Inc, for the purchase of four (4) Copper Vertical Break Switches. The switches have been identified for use in the Electric Utility's Main Yard Substation. The original Purchase Order was created as a result of the quotations received via the informal competitive process for small purchases, per the City's Procurement Policy, as the total cost was less than \$50,000. The additional freight charge of \$1,264 now moves the total amount due beyond the \$50,000 threshold.

**BACKGROUND AND JUSTIFICATION:**

Purchase Order 187340 was created with Cleaveland Price Inc as a result of the quotations received via the informal competitive process for small purchases, per the City's Procurement Policy, as the total cost was less than \$50,000. The said Purchase Order was for a total of four (4) Copper Vertical Break Switches for use in the Electric Utility's Main Yard Substation. The freight charges were not included in the original quotes received. This is due to the volatility in fuel costs impacting shipping costs and are not known until the vendor secures the shipping company and the unit is shipped. The additional charge for freight in the amount of \$1,264 was added to the vendors invoice after shipment occurred, and was higher than estimated, causing the total amount due to ultimately exceed the \$50,000 threshold.

The Electric Utility is requesting the approval of the Change Order to Purchase Order 187340 with Cleaveland Price Inc. for freight charges associated with the purchase of four (4) copper vertical break switches in the amount of \$1,264.

**MOTION:**

Move to approve/disapprove Change Order to Purchase Order 187340 with Cleaveland Price Inc for additional freight charges in the amount of \$1,263.25.

**ATTACHMENT(S):**

Fiscal Impact Analysis  
Cleaveland Price Quotation  
Cleaveland Price Invoice

**FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

<b>Fiscal Years</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Capital Expenditures	\$1,264	0	0	0	
Operating Expenditures	0	0	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
<b>Net Fiscal Impact</b>	<b>\$1,264</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

**B. Recommended Sources of Funds/Summary of Fiscal Impact:** Funds have been identified in account 421-6034-531-63.15, Project SH2112 for the Main Yard Bus, Insulators and Switch Replacement Project.

Account Number	Department Name	Division Name	Account Description	Project Number	FY22 Budget	Current Balance	Budget Transfer	Agenda Expenditure	Balance
421-6034-531-63.15	Electric	T&D	Improve Other than Build / Infrastructure	SH2112	890,300	538,504		\$1,264	537,240