

COUNCIL ACTION FORM

SUBJECT: REQUEST TO WAIVE PURCHASING POLICY AND APPROVE CONTINUATION OF PART-TIME MECHANICAL ENGINEERING SERVICES FOR POWER PLANT

BACKGROUND:

In September 2006, a purchase order was issued for part-time mechanical engineering services to Brown Engineering Company of Des Moines, Iowa, in the amount of \$46,800. A total of \$40,221.50 was expensed under that purchase order for developing plans and specifications for several projects at the Power Plant through spring 2007. It was originally expected that the position of Power Plant Engineer would be filled by that time.

On March 27, 2007, City Council approved continuation of these services in an amount not to exceed an additional \$48,200 for work until the new Power Plant Engineer was able to work full time on these projects. To date, \$44,573.50 of that amount has been spent.

The issues associated with the completion of the Unit 7 turbine overhaul have taken up a good deal of the time of the Power Plant Engineer since his arrival at the Plant. As a result, the part-time engineer from Brown Engineering Company is still involved in the following projects:

- Update plans and specifications for Combustion Turbine (CT) 1 engine, turbine, and generator inspection.
- Evaluate proposals for Unit No. 8 water treatment chemicals.
- Develop plans and specifications for Unit No. 8 boiler chemical cleaning.
- Research market relating to demolition of Unit Nos. 5 and 6 and sale of spare turbine parts.
- Develop plans and specifications for conversion from liquid chlorine to sodium hypochlorite for water treatment.
- Prepare scope of work and obtain preliminary proposals for Unit #8 hopper deck repair.
- Develop plans and specifications to phase bid the fire suppression systems for the coal yard, the tripper room, and the coal mills (pulverizers).
- Prepare plans and specifications relating to CT 2 site drains.
- Upgrade the Spill Prevention Control and Counter-measure (SPCC) plan.
- Provide contract administration services for Unit 7 elevator upgrade.

- Prepare plans and specifications for construction of a catwalk between the turbine roof and the top tower deck.

Preliminary work to determine requirements for several other projects is also needed.

The City's purchasing policy requires formal competitive proposals for professional services exceeding \$50,000. Previous City Council action authorized continuation of services from Brown Engineering Company not to exceed \$48,200. It is estimated that the cost of engineering services to complete the work currently underway and to perform the preliminary work on other projects would not exceed an additional \$15,000. Staff recommends continuation of the current agreement with Brown Engineering Company for ongoing services on Power Plant projects rather than soliciting competitive proposals because Brown Engineering Company has been involved in these projects since they were started and contracting with another professional would cause additional time and expense to the City in order for another consultant to become familiar with these projects. **For this additional work, \$15,000 is available in the approved FY 2007/2008 budget for professional services for Unit 7 Boiler Maintenance.**

ALTERNATIVES:

1. Waive the purchasing policy requiring solicitation of competitive proposals for professional services and approve continuation of part-time mechanical engineering services from Brown Engineering Company of Des Moines, Iowa, at an additional cost not to exceed \$15,000.
2. Do not approve additional part-time mechanical engineering services from Brown Engineering Company.

MANAGER'S RECOMMENDED ACTION:

Brown Engineering Company of Des Moines, Iowa, has provided part-time mechanical engineering services for the Power Plant since September of 2006 and is involved in a number of projects that are currently underway. The estimated cost to complete the work is \$15,000.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby waiving the purchasing policy requiring solicitation of competitive proposals for professional services and approving continuation of part-time mechanical engineering services from Brown Engineering Company of Des Moines, Iowa, in an amount not to exceed \$15,000.