

COUNCIL ACTION FORM

SUBJECT: REPLACEMENT OF POWER PLANT COAL CONVEYOR DROPS

BACKGROUND:

This year's Electric Services budget includes \$43,000 to rebuild coal conveyor drop number 3. Coal drops are transition points in the coal conveyor system where the coal is transferred from one belt to another. These transitions are also used to turn corners with the conveyor system. The coal conveyors move coal from the truck dump and the coal pile to the coalbunkers on Units # 7 and # 8. The current coal conveyors were first installed in 1967 and 1968. The current coal conveyor drops were showing age and wear, and the equipment was approaching a condition in which it could no longer function properly. In 2006, the Power Plant rebuilt coal conveyor drops 1, 2, 4, and 5 at a cost of \$161,300. In 2005, drops 7 and 8 had been replaced. Coal drop 3 is the last remaining drop to be replaced.

The Electric Production staff looked at several options for this work. Several firms had been contacted about their ability, availability, and pricing for this project in the past. The purchasing policy requires formal bids for equipment and services costing more than \$50,000. The work on this particular portion does not meet the \$50,000 threshold at this time, but since the other work had been approved by City Council and because this portion is close to the \$50,000 level, staff believes it is appropriate for Council to award the contract. Based on the information received by Electric Services, staff seeks to have the normal public bidding requirements waived, and to award a contract to Martin Engineering to perform this work for the following reasons:

1. The Power Plant would like to continue using Martin Engineering sealing systems in order to prevent multiple parts and inventory items. The Plant already has new Martin Engineering sealing equipment installed on drops 1,2,4, 5 and 5-7, and 7-8. This equipment is working well. By staying with Martin, this allows the Plant to stock parts for one system, and to have one firm responsible for maintenance guarantee issues.
2. Only Martin Engineering can provide the equipment and the installation with the Martin Engineering 100% guarantee on parts and installation.
3. When initially contacted, other firms failed to respond adequately to requests for information.
4. Martin Engineering has supplied excellent equipment and services on City of Ames contracts in the past.
5. This project requires 1-2 days worth of installation time while the system is down and Martin Engineering has agreed to work within these scheduling parameters.

The total cost of this project is estimated to be \$40,718.00.

ALTERNATIVES:

1. Waive the bidding procedures and award a contract to Martin Engineering, Neponset, Illinois, for the replacement of coal drop number 3 as outlined in the proposal submitted to the City on March 16, 2007, in amount of \$40,718.00.
2. Solicit formal bids in accordance with the Purchasing Policies.
3. Delay the project at this time.

MANAGER'S RECOMMENDED ACTION:

It is important to replace the coal conveyor drops at the lowest possible cost while receiving a guarantee of work and maintaining a homogenous system. It is also imperative this work be carried out as soon as possible, and within the Plant's schedule. By choosing alternative # 1, the Plant would be able to run in a more efficient way. By waiving the bidding procedures and accepting the proposal received from Martin Engineering, the City will accomplish those goals, and receive guaranteed work and consistent parts for maintenance purposes.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative # 1, waiving the formal bidding procedures and awarding a contract to Martin Engineering, Neponset, Illinois, for the replacement of coal drop 3 as outlined in the proposal submitted to the City on March 16, 2007, in amount of \$40,718.00.