

**COUNCIL ACTION FORM**

**SUBJECT: WAIVER OF PURCHASING POLICY FOR INSPECTION AND REPAIR  
OF UNIT 8 BOILER FEEDWATER PUMP**

**BACKGROUND:**

This project is for the repair of the No. 82 boiler feedwater pump for Unit No. 8. The No. 82 boiler feed pump feeds water into the boiler. This pump is a high pressure, high volume unit that is critical to the operation of the steam generating unit. A back-up pump is available for use during repairs. There is reduced reliability with the back-up pump, however, so it is critical that the main pump be repaired as quickly as possible. The pump is critical to boiler operation, and Unit No. 8 cannot operate without one of these pumps in service. The main pump has lost enough pressure that it will no longer feed adequate water into the boiler.

**The estimated cost of the repairs is in the range of \$70,000 to \$90,000. Funding is available from the Electric Production operating budget.**

**Section 6.03 D. of the City purchasing policies requires that competitive written bids or proposals be solicited for the purchase of materials, equipment, and services having a total cost of \$50,000 or more. It is the intent to send the pump to the original equipment manufacturer (OEM) for repair. This will provide for the repairs to be completed as soon as possible in order to have the pump ready for use when the summer loads arrive and also be available for the peaking season. Developing technical specifications and soliciting bids for the inspection and repair of the pump would likely exceed that timeframe.**

City Council should note that the Power Plant has a second pump for Unit No.7 that also needs to be sent out for repair. Because Unit No. 7 is not operated as much as Unit No. 8, time is available and competitive bids or proposals will be solicited for that repair in accordance with the purchasing policies. The bid results will then be reported to City Council.

**ALTERNATIVES:**

1. Waive Purchasing Policy bidding requirements and authorize Electric Services to negotiate the contract with the original equipment manufacturer for the repair of No. 82 boiler feedwater pump for Unit No. 8.
2. Deny request to waive Purchasing Policy bidding requirements and direct staff to have the pump inspected to determine the exact repairs needed and then solicit bids in accordance with City Purchasing Policies. It is estimated that this process would result in a contract award made at the start of peaking season.

**MANAGER'S RECOMMENDED ACTION:**

There has been a significant drop in the discharge pressure of this pump (in excess of 300 pounds per square inch). The Power Plant's peak load season will be arriving soon, so it is critical to get this feed pump repaired as soon as possible. Expediting this repair will reduce the risk of losing Unit No.8 during the peak season. If that happens, there could be an extensive outage which would significantly affect service to all electric utility customers and require the need to purchase expensive energy from the Grid. By going directly to the original equipment manufacturer for inspection and repair of the pump, the City can be assured that the pump will be repaired in the shortest time possible.

Therefore, it is the recommendation of the City Manager that the City Council adopts Alternative No. 1 waiving the Purchasing Policy bidding requirements and authorizing Electric Services to negotiate a contract with the original equipment manufacturer.