

COUNCIL ACTION FORM

SUBJECT: RDF DRAG CONVEYORS FOR POWER PLANT

BACKGROUND:

This quote is for the purchase of two drag conveyors for the Electric Services Power Plant. The Plant currently has four drag conveyor assemblies that are located under the Refuse Derived Fuel (RDF) bin. These units move the RDF from storage to the metering system for transport to the boiler plant for burning. Without these units, it would not be possible to transport the RDF to the Plant as fuel. This equipment is subject to high moisture levels and wear, and must be replaced periodically due to worn components and corrosion. The two remaining conveyors are planned for replacement next year.

On February 6, 2012, a request for quotation (RFQ) document was issued to twenty six potential bidders. The RFQ was also advertised on the Current Bid Opportunities section of the Purchasing webpage. It was also sent to one plan room.

On February 20, 2012, five quotes were received as shown below:

Bidder	Bid Price*	Overall Cost**
Clarke's Sheet Metal, Inc., Eugene, OR	\$92,414.63	
DYNATEK North Prairie, WI	\$97,300.00	\$103,971.00
Process Barron Pelham, AL	\$124,128.00	\$132,519.46
8760 Energy Services Sedalia, MO	\$134,100.00	\$143,403.00
Automatic Systems, Inc., Kansas City, MO	\$205,588.00	\$219,896.49
* This column consists of the actual dollar amount bid. Note: Clarke's Sheet Metal, Inc., is the only bidder who is licensed to collect IA sales-tax.		
** This column includes the Overall Cost when Iowa sales tax is taken into consideration. For bidder's two through five, the City would have to pay sales tax directly to the State of Iowa.		

Staff has concluded that the apparent low quote submitted by Clarke's Sheet Metal, Inc., Eugene, OR, in the amount of \$92,414.63 is acceptable.

The approved FY 2011/12 operating budget contains \$57,000 for RDF bin repairs. The balance of \$36,000 will come from the budget for baskets for the Unit No. 7 Air Heater. That project will be re-prioritized for a later time.

ALTERNATIVES:

1. Award a contract to Clarke's Sheet Metal, Inc., Eugene, OR, for the RDF Drag Conveyors in the amount of \$92,414.63 (inclusive of Iowa sales tax).
2. Reject the quotes and delay the replacement of the drag conveyors.

MANAGER'S RECOMMENDED ACTION:

Purchase of these conveyors ensures continued efficient operation of the RDF transport system. Having one of these RDF drag conveyors go off-line could increase the risk of RDF not being transported to the boilers for burning. As a result, the Resource Recovery Plant would need to landfill the RDF until the drag conveyors were again operating correctly.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract to Clarke's Sheet Metal, Inc., Eugene, OR, for the RDF Drag Conveyors in the amount of \$92,414.63 (inclusive of Iowa sales tax).