

COUNCIL ACTION FORM

SUBJECT: POWER PLANT SUPERHEATER ATTEMPERATOR REPLACEMENT

BACKGROUND:

On August 27, 2013, City Council approved preliminary plans and specifications for the Replacement Superheater Attemperator of the Power Plant's Unit #8 boiler. Attemperators are assemblies that allow for injection of water into the steam flow to control (cool) the final steam temperature to the turbine. Controlling the temperature of the steam to the turbine is necessary and important to protect the turbine from damage from steam that is too hot.

During the Spring 2013 outage, the attemperator was inspected and the internal liner was found to be dislocated. The original equipment manufacturer of the boiler recommended replacement. A total failure of this equipment would render Boiler #8 inoperable, while consequential damages from the failed components migrating downstream could result in a very expensive and extended repair outage.

The entire project is for procurement and installation of an attemperator to replace the original attemperator in the superheater. This present action, however, is for the procurement of the attemperator only. The installation will be bid out separately.

Bid documents were issued to two firms. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage, and a Legal Notice was published in the Ames Tribune. The bid was also sent to one plan room.

On September 11, 2013, one bid was received as shown below:

Babcock & Wilcox Power Generation Group, Barberton, OH	\$163,406.35
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Electric Services staff has reviewed this lone bid. After completing the evaluation, they concluded that the bid (which is inclusive of Iowa sales tax) is acceptable. The engineer's estimate for the purchase of the attemperator is \$155,000. Funding to purchase this equipment is available in the approved FY2013/14 Electric Production operating budget under boiler parts and supplies.

This project will be completed during the Spring 2014 planned outage.

ALTERNATIVES:

1. Award a contract to Babcock & Wilcox Power Generation Group, Barberton, OH, for the Replacement Superheater Attemperator in the amount of \$163,406.35 (inclusive of Iowa sales tax).

2. Reject all bids and delay replacing the superheater attemperator.

MANAGER'S RECOMMENDED ACTION:

Unit #8 would be inoperable if attemperator failure occurred, and the consequential damage could be very significant. Funding for this purchase is included in the Power Plant operating budget. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.