

COUNCIL ACTION FORM

SUBJECT: **CHANGE ORDER FOR REPLACEMENT
PARTS FOR UNIT 8 CONTROL CABINET REPAIRS**

BACKGROUND:

On the morning of August 9, 2015, it rained 4.5 inches. The Power Plant took on water in a critical control cabinet which shorted and burned out some electronic cards necessary to safely command and control Unit 8. The Power Plant had to take the unit off-line because with these burned out cards the Plant was blind to some vital information needed to safely operate the unit. The Power Plant did have spare cards for the most vital information (O2) which did allow staff to put the unit back on-line, but cards were still needed for information that staff did not have.

Staff immediately contacted Emerson Process Management Power & Water Solutions, Inc., (Emerson), the Original Equipment Manufacturer, for a quotation for the replacement parts needed for this time critical repair. A purchase order in the amount of \$42,120.55 (inclusive of Iowa sales tax) was approved by City Manager was issued soon thereafter.

A change order is now needed. Under Change Order No. 1, Emerson will supply additional replacement parts needed to complete the control cabinet repairs. This change order will add an additional \$21,459.92 (inclusive of Iowa sales tax) to the purchase order, bringing the total contract amount to \$63,580.47. At this dollar level, the City's Purchasing Policy requires City Council approval.

Funds for the purchase these parts is available from the approved FY 2015/16 operating budget for Electric Production which includes \$150,000.

ALTERNATIVES:

1. Approve contract Change Order No. 1 to Emerson Process Management Power & Water Solutions, Inc., Pittsburgh, PA, in the amount of \$21,459.92 (inclusive of Iowa sales tax) for replacement parts for Unit 8 control cabinet repairs.
2. Reject contract Change Order No. 1 and delay these needed repairs.

MANAGER'S RECOMMENDED ACTION:

These parts are critical because, if not installed, can affect the ability to operate the Power Plant efficiently and safely. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.