

**COUNCIL ACTION FORM**

**SUBJECT:** CERAM CORE PIPE FOR POWER PLANT

**BACKGROUND:**

Ceram Core Pipe is used to convey the abrasive bottom ash produced in each of the power plant boilers to the Ash Pond. There are currently about 3,300 feet of Ceram Core pipe starting at the basement of the Power Plant and ending at the Ash Pond located about a half mile east of the Power Plant. The Power Plant currently needs to replace 290 feet of damaged pipe (along with four elbows) and desires to maintain an additional 360 feet for spare material in case of emergencies.

The Power Plant has tested other pipe in the past and found they do not mate well with the existing piping, causing leaks in the joints and excessive wear. The Plant has also found that other pipe is not as durable as the Ceram Core Pipe, wearing out at a much quicker rate.

**In order to take advantage of this preferred material, staff is requesting that the City Council waive the City's purchasing policies requiring competitive bids, and award this contract to Fluid Technology Corporation, Des Moines, IA in the amount of \$111,722.00 (inclusive of Iowa sales tax).**

Funding is available from the approved FY2016/17 Electric Production operating budget which contains \$133,000 for replacing existing Ceram Core piping.

**ALTERNATIVES:**

1. Waive the purchasing policy requirement for competitive bidding for the Ceram Core pipe and award a contract to Fluid Technology Corporation, Des Moines, IA, in the amount of \$111,722.00 (inclusive of Iowa sales tax).
2. Solicit bids and purchase the necessary pipe from another vendor.
3. Continue operating with failing, old pipe and make another attempt to secure competitive bids for comparable pipe with replacement at a future date.

**MANAGER'S RECOMMENDED ACTION:**

Purchase of this Ceram Core pipe insures reliable performance for the Power Plant. The Plant will not be able to run without the ability to remove the bottom ash. Purchasing this pipe will allow the plant to replace old, failing sections of the pipe, operate with a known, reliable piping, and have spare inventory to quickly repair unforeseen failures. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.