

**COUNCIL ACTION FORM**

**SUBJECT: AWARD OF CONTRACT FOR FURNISHING FLY ASH CONVEYING SYSTEM PARTS**

**BACKGROUND:**

This bid is for the purchase of piping, valves, and hydroveyor for replacing the current fly ash handling system at the Power Plant. Since the conversion of the plant to natural gas, the Power Plant has experienced increased maintenance costs associated with the fly ash system.

Fly ash resulting from the combustion of natural gas and Refuse-Derived Fuel (RDF) contains increased moisture compared to combustion of coal. This increased moisture causes the fly ash to stick to piping walls and plug pipes, requiring increased maintenance on the fly ash system. Additionally, during winter months, pipe plugs increase in frequency and severity and often require removal by contracting a plumber to hydro-jet the piping.

The new hydroveyor system will re-route much of the exterior piping (where plugging is most prevalent) to the inside of the plant. This will allow the piping to maintain a warmer fluid conveying temperature, reducing plugging. The system will also be run by a new, more reliable hydroveyor, which can provide a steady vacuum for ash conveying.

On November 13, 2018, bid documents were issued to eleven companies. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and was also sent to two plan rooms. On December 12, 2018, two bids were received as shown on the attached report.

**Staff reviewed the bids and concluded that the apparent low bid submitted by United Conveyor Corporation, Waukegan, IL, in the amount of \$127,141.95 (inclusive of Iowa sales tax) is acceptable.**

The approved FY 2018/19 Operating Budget includes \$100,000 in the Ash System account to purchase these parts. Funds to cover the difference will be taken from the Unit #7 Turbine Maintenance account.

**ALTERNATIVES:**

1. Award a contract to United Conveyor Corporation, Waukegan, IL, for the Furnishing of Fly Ash Conveying System Parts in the amount of \$127,141.95 (inclusive of Iowa sales tax).
2. Award a contract to the other bidder for furnishing the Fly Ash Conveying System Parts.
3. Reject all bids and delay the purchase of these parts.

**MANAGER'S RECOMMENDED ACTION:**

The purchase of these parts will allow staff to maintain the fly ash system and reduce overall maintenance and contractor time and expenses. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.



**INVITATION TO BID NO. 2019-021 FURNISHING  
FLY-ASH CONVEYING SYSTEM PARTS**

<b>BIDDER:</b>	United Conveyor Corporation Waukegan, IL			Pinnacle APC, Inc. Sarver, PA		
<b>DESCRIPTION</b>	<b>QTY</b>	<b>UNIT PRICE</b>	<b>TOTAL</b>	<b>QTY</b>	<b>UNIT PRICE</b>	<b>TOTAL</b>
Fly-Ash Conveying System Parts	1	\$115,385.00	\$115,385.00	1	\$123,490.00	\$123,490.00
Subtotal:		\$115,385.00			\$123,490.00	
Sales or Use Tax (7%):		\$8,076.95				
Sales or Use Tax (7%) <u>NOT LICENSED</u> :					\$8,644.30	
Non-Taxable Freight		\$3,680.00			\$4,900.00	
<b>OVERALL</b>		<b>\$127,141.95</b>			<b>\$137,034.30</b>	