

COUNCIL ACTION FORM

**SUBJECT: AWARD OF CONTRACT FOR REPLACEMENT OF DUMP GRATES
FOR THE POWER PLANT**

BACKGROUND:

Refuse derived fuel (RDF) is burned on cast stainless steel dump grates. They are specially made with slots to allow more air through the grates for better combustion and grate cooling. There are a total of 98 grates in Unit # 8 boiler. Current conditions indicate that numerous grates have less than six months of useful life remaining. RDF cannot be burned without grates or if the grates fail.

On August 4, 2010, the request for proposal (RFP) document was issued to eight firms for proposals. The RFP was advertised on the Current Bid Opportunities section of the Purchasing webpage and it was also sent to one plan room.

On September 3, 2010, staff received competitive proposals from three firms. These proposals were then sent to a committee for evaluation. The committee consisted of two Power Plant Engineers and the Power Plant Maintenance Superintendent.

The committee members independently evaluated and scored all three of the proposals. Each proposal was evaluated based on price, experience on manufacturing the parts specified, lead time, and the metallurgy proposed.

Based on the matrix, the averaged scores for the responding firms are:

PROPOSERS	AVERAGED SCORE
Powerhouse Technology, Inc., Farmington, NY	850.00
Detroit Stoker Co., Monroe, MI	742.33
Wear-Concepts, Inc., Liberty, MO	701.00

Each score was based on a scale of 1 to 10, with a maximum of 1,000 points possible.

Based on the averaged scores and a unanimous decision by the evaluation committee, staff recommends that a contract be awarded to Powerhouse Technology, Inc., Farmington, NY, for an amount not to exceed \$136,410. Powerhouse Technology, Inc. is not licensed to collect sales taxes for the State of Iowa. The City of Ames would pay applicable Iowa Sales Taxes directly to the State of Iowa.

The approved FY 2010/2011 operating budget for Unit #8 Boiler Maintenance contains \$150,000 for dump grate repairs that will be used for this project.

ALTERNATIVES:

1. Award a contract to Powerhouse Technology, Inc., Farmington, NY, for the replacement of Power Plant dump grates in the amount of \$136,410, plus applicable sales taxes to be paid directly by the City of Ames to the State of Iowa.
2. Reject the bids and do not replace the equipment at this time.

MANAGER'S RECOMMENDED ACTION:

Unit # 8 will not be able to burn RDF if the dump grates in the boiler fail. Many grates are nearing the end of their useful lives. The grates do require a significant lead time, and cannot be delivered within days of an order. It will take several months for the grates to be manufactured and delivered.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, awarding a contract to Powerhouse Technology, Inc., Farmington, NY, for the replacement of Power Plant dump grates in the amount of \$136,410, plus applicable sales taxes to be paid directly by the City of Ames to the State of Iowa. Sales taxes are estimated to be approximately \$9,550.



**REQUEST FOR PROPOSAL NO. 2011-004
DUMP GRATES**

BUDGET: \$150,000

PROPOSER	BASE	SALES/USE TAXES INC.	EVAL. TOTAL *
Powerhouse Technology, Inc., Farmington, NY	\$136,410.00	Not Licensed	\$145,958.70
Detroit Stoker Co., Monroe, MI	\$185,765.90	\$12,891.61	\$198,657.51
Wear-Concepts, Inc., Liberty, MO	\$225,367.10	Not Licensed	\$241,100.80

*** Evaluated Total is inclusive of all applicable taxes to insure fair evaluation of prices since two bidders are not licensed to collect taxes .**