

COUNCIL ACTION FORM

SUBJECT: PURCHASE OF POWER PLANT DAMPER DRIVES

BACKGROUND:

This bid is for the purchase of four damper drives for the Electric Services Power Plant. Damper drives are the devices that position the dampers either by manual control signal or automatic control. The dampers are connected directly to the main coal burners and control the amount of primary and secondary air to the boiler. There are a total of twenty three damper drives on Unit No. 8.

Council should note that the Power Plant has already replaced four of these damper drives. Two were purchased in March 2010 and two were purchased in October 2010. Both times were for drives that needed immediate replacement due to continuing maintenance issues. Those two orders were not reported to City Council because they were below the \$50,000 bid threshold requiring Council approval. The City's *Purchasing Policies* require all procurements above \$50,000 to be reported and awarded by City Council.

Staff has decided to proactively purchase and replace four additional drives before the current drives create the same maintenance issues as the four replaced previously. Staff is planning to purchase up to six additional drives in the future for Unit No. 8.

Power Plant staff requested that the manufacturer of the damper drives be TYPE K, in order to standardize all future drives for spare parts and length of service in the Plant. Staff has determined that TYPE K drives meet all of the Plant's needs. A major factor is that the drives have a very reliable service record, with very few parts that can wear. As a result, the Plant can keep inventories of spare parts to a minimum. The Power Plant has used damper drives from other manufacturers in the past, but staff has determined that the best performance has been achieved with TYPE K.

Council should note that these damper drives are sold to the end user directly from the manufacturer. One major benefit of this is the City is receiving factory direct pricing without a distributor mark-up. **Since the manufacturer distributes these drives directly, it was not possible to get multiple bids from various suppliers, as we do on other types of electrical equipment.**

On January 13, 2011, the bid document was issued to the manufacturer. On January 26, 2011, the bid was received as shown below:

Controls International, Inc., Dallas, TX \$60,936.61

Staff reviewed the bid and concluded it is acceptable.

Funding is available from the approved FY2010/11 Electric Production operating budget which contains \$100,000 for Unit #8 Auxiliary Equipment.

ALTERNATIVES:

1. Award a contract to Controls International, Inc., of Dallas, TX, for damper drives in the amount of \$60,936.61 (inclusive of Iowa Sales Tax).
2. Reject the bid received and direct staff to rebid.

MANAGER'S RECOMMENDED ACTION:

Purchase of these damper drives insures reliable performance for the Power Plant. By purchasing the damper drives directly from this manufacturer, staff can maintain uniformity in the damper drives throughout the Plant. It is expected that this will result in lower maintenance costs and greater service efficiencies.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract to Controls International, Inc., Drives, Dallas, TX, for damper drives in the amount of \$60,936.61 (inclusive of Iowa Sales Tax).