

COUNCIL ACTION FORM

SUBJECT: POWER PLANT UNIT #7 COAL MILL PARTS

BACKGROUND:

This purchase is for mill parts needed for planned mill rebuilds associated with routine maintenance and inventory replenishment for the Power Plant's Unit #7 coal mills. This equipment is used for pulverizing coal into a powder that is used as fuel in the Unit's Boiler.

A total of two mills provide coal for Unit #7, and both must be operating for the Plant to be fully operational. If they are not kept in operation, the Power Plant may have to purchase electricity or start up one or both gas turbines in order to supplement generating capacity and suspend the burning of RDF. This would likely lead to significantly higher production costs. Additionally, coal that is poorly ground also leads to inefficiency, unstable fire and increases in the potential for flameouts.

Many of the parts to be purchased in this proposal require a long lead time and are being ordered now, so that they are on hand for the planned maintenance of the coal mills. Maintenance delays will be reduced significantly by having these parts in stock at the Plant. This will minimize the risk of the Plant having to run at less than full capacity if more than one of the coal mills goes offline. In addition, by purchasing these parts in higher quantities based on planned rebuilds, as opposed to an as-needed basis, the City will realize savings based on increased volume discounts and overall reduced transaction costs associated with shipping costs and multiple issuances of purchase orders. Portions of both mills will be rebuilt in the near future.

On October 11, 2011, the request for proposal (RFP) document was issued to nine firms for proposals. On November 4, 2011, staff received competitive proposals from four firms.

These proposals were evaluated by a committee consisting of the Power Plant Engineer, Power Plant Maintenance Superintendent, and Power Plant Operations Superintendent. The committee members independently evaluated and scored each of the three proposals based on price, years of experience manufacturing the parts specified, references and lead time.

Based on the matrix, the averaged scores are:

OFFERORS	AVERAGED SCORE
Alstom Power Inc., Windsor, CT	869.73
Helmick Corporation, Fairmont, WV	791.33
Babcock Power, Duncan, SC	771.87

R-V Industries, Honey Brook, PA	679.07
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Each score was based on a scale of 1 to 10. Overall, 1,000 maximum possible points were available cumulatively for each company that responded. Based on the averaged scores and a unanimous decision by the evaluation committee, staff recommends that a contract be awarded to Alstom Power Inc., Windsor, CT, in the amount of \$94,520.64 (inclusive of sales-tax).

Funding is available from the approved FY 2011/12 Electric Production operating budget for Unit #7 Boiler Pulverizer parts, which contains \$200,000 for parts.

ALTERNATIVES:

1. Award a contract to Alstom Power Inc., Windsor, CT, for the purchase of Unit # 7 coal mill parts in the amount of \$94,520.64 (inclusive of sales-tax).
2. Reject all proposals and direct staff to delay purchase of these replacement parts.

MANAGER'S RECOMMENDED ACTION:

The purchase of these mill parts in advance of major maintenance work will reduce the risks of delays on planned mill rebuilds, and will also help reduce downtime due to unplanned mill equipment failures. Having a coal mill fail and remain down for an extended period of time increases the risk of incurring significant cost for purchased power, particularly during peak times.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract to Alstom Power Inc., Windsor, CT, for the purchase of Unit # 7 coal mill parts in the amount of \$94,520.64 (inclusive of sales-tax).



2012-058 COAL MILL PARTS FOR UNIT #7 COST SUMMARY

Company Name of Bidder:	Alstom Power Inc., Windsor, CT			R-V Industries, Honey Brook, PA			Babcock Power, Duncan, SC			Helmick Corporation, Fairmont, WV		
DESCRIPTION	QTY	UNIT PRICE	Total	QTY	UNIT PRICE	Total	QTY	UNIT PRICE	Total	QTY	UNIT PRICE	Total
RING BULL	1	\$ 7,682.00	\$ 7,682.00	1	\$ 12,338.00	\$ 12,338.00	1	\$ 5,520.00	\$ 5,520.00	1	\$ 8,648.00	\$ 8,648.00
Sales or Use Tax (7%)			\$ 537.74			\$ 863.66			\$ 386.40			\$ 605.36
			\$ 8,219.74			\$ 13,201.66			\$ 5,906.40			\$ 9,253.36
PLATE BOWL WEAR	4	\$ 350.00	\$ 1,400.00	4	\$ 192.00	\$ 768.00				4	\$ 245.00	\$ 980.00
Sales or Use Tax (7%)			\$ 98.00			\$ 53.76						\$ 68.60
			\$ 1,498.00			\$ 821.76						\$ 1,048.60
LINER SEPARATOR BOTTOM	16	\$ 138.00	\$ 2,208.00	16	\$ 120.00	\$ 1,920.00				16	\$ 125.35	\$ 2,005.60
Fastener 1	16	\$ 3.00	\$ 48.00							16	\$ 9.00	\$ 144.00
Fastener 2	16	\$ 1.50	\$ 24.00									
Sales or Use Tax (7%)			\$ 159.60									\$ 150.47
			\$ 2,439.60			\$ 2,054.40						\$ 2,300.07
MILLSIDE DEFLECTOR BRACKET	8	\$ 187.00	\$ 1,496.00									
Fastener 1	8	\$ 3.50	\$ 28.00									
Fastener 2	8	\$ 3.00	\$ 24.00									
Fastener 3	16	\$ 1.00	\$ 16.00									
Fastener 4	16	\$ 1.00	\$ 16.00									
Fastener 5	16	\$ 2.20	\$ 35.20									
Sales or Use Tax (7%)			\$ 113.06									
			\$ 1,728.26									
LINER UPPERMILLSIDE	9	\$ 261.25	\$ 2,351.25				9	\$ 248.50	\$ 2,236.50			
Fastener 1	18	\$ 5.10	\$ 91.80				18	\$ 9.00	\$ 162.00			
Fastener 2	18	\$ 2.20	\$ 39.60									
Fastener 3	18	\$ 1.00	\$ 18.00									
Fastener 4	18	\$ 1.00	\$ 18.00									
Sales or Use Tax (7%)			\$ 176.31			\$ 167.90						
			\$ 2,694.96			\$ 2,566.40						
LINER UPPERMILLSIDE	6	\$ 383.50	\$ 2,301.00	6	\$ 440.50	\$ 2,643.00						
Fastener 1	18	\$ 5.00	\$ 90.00	18	\$ 9.00	\$ 162.00						
Fastener 2	24	\$ 2.20	\$ 52.80									
Fastener 3	24	\$ 1.00	\$ 24.00									
Fastener 4	18	\$ 1.00	\$ 18.00									
Fastener 5	6	\$ 3.50	\$ 21.00									
Sales or Use Tax (7%)			\$ 175.48						\$ 196.35			
			\$ 2,682.28			\$ 3,001.35						
LINER UPPERMILLSIDE	4	\$ 465.00	\$ 1,860.00	4	\$ 413.50	\$ 1,654.00						
Fastener 1	16	\$ 5.00	\$ 80.00	16	\$ 9.00	\$ 144.00						
Fastener 2	16	\$ 2.20	\$ 35.20									
Fastener 3	16	\$ 1.00	\$ 16.00									
Fastener 4	16	\$ 1.00	\$ 16.00									
Sales or Use Tax (7%)			\$ 160.50						\$ 125.86			
			\$ 2,147.70						\$ 1,923.86			

LINER SEPARATOR BODY	6	\$	295.00	\$	1,770.00
Fastener 1	12	\$	3.00	\$	36.00
Fastener 2	12	\$	2.20	\$	26.40
Fastener 3	12	\$	1.00	\$	12.00
Fastener 4	12	\$	1.00	\$	12.00
Sales or Use Tax (7%)				\$	129.95
				\$	1,986.35
EXTENSION BOWL	4	\$	1,895.00	\$	7,580.00
Fastener 1	96	\$	1.50	\$	144.00
Sales or Use Tax (7%)				\$	540.68
				\$	8,264.68
DEFLECTOR MILL SIDE	7	\$	124.00	\$	868.00
Fastener 1	14	\$	10.00	\$	140.00
Fastener 2	14	\$	1.00	\$	14.00
Fastener 3	14	\$	0.80	\$	11.20
Sales or Use Tax (7%)				\$	72.32
				\$	1,105.52
ROLL GRINDING NI HARD	3	\$	2,625.00	\$	7,875.00
Sales or Use Tax (7%)				\$	551.25
				\$	8,426.25
BAR JOURNAL HEAD STOP	2	\$	1,452.00	\$	2,904.00
Sales or Use Tax (7%)				\$	203.28
				\$	3,107.28
LINER SADDLE	8	\$	171.00	\$	1,368.00
Fastener 1	16	\$	25.00	\$	400.00
Fastener 2	16	\$	1.00	\$	16.00
Sales or Use Tax (7%)				\$	124.88
				\$	1,908.88
LINER SEPARATOR TOP	21	\$	305.00	\$	6,405.00
Fastener 1	48	\$	5.00	\$	240.00
Fastener 2	48	\$	1.00	\$	48.00
Fastener 3	48	\$	1.00	\$	48.00
Fastener 4	48	\$	2.20	\$	105.60
Fastener 5	1	\$	452.00	\$	452.00
Sales or Use Tax (7%)				\$	510.90
				\$	7,809.50
DEFLECTOR ASSEMBLEY	48	\$	246.00	\$	11,808.00
Sales or Use Tax (7%)				\$	826.56
				\$	12,634.56
LINER INNERCONE	3	\$	905.00	\$	2,715.00
Sales or Use Tax (7%)				\$	190.05
				\$	2,905.05
BLADE WHIZZER	18	\$	108.00	\$	1,944.00
Sales or Use Tax (7%)				\$	136.08
				\$	2,080.08
SPIDER FAN	2	\$	4,949.00	\$	9,898.00
Sales or Use Tax (7%)				\$	692.86
				\$	10,590.86
BLADE FAN	18	\$	349.00	\$	6,282.00

Sales or Use Tax (7%)			\$ 439.74		\$ 394.38		
			\$ 6,721.74		\$ 6,028.38		
LINER PERIPHERY	1	\$ 1,109.00	\$ 1,109.00			1	\$ 954.00 \$ 954.00
Fastener 1	4	\$ 5.00	\$ 20.00			4	\$ 9.00 \$ 36.00
Fastener 2	4	\$ 4.10	\$ 16.40				
Fastener 3	4	\$ 1.90	\$ 7.60				
Fastener 4	4	\$ 1.00	\$ 4.00				
Fastener 5	4	\$ 1.00	\$ 4.00				
Sales or Use Tax (7%)			\$ 81.27				
			\$ 1,242.27				
LINER PERIPHERY	2	\$ 1,009.00	\$ 2,018.00			2	\$ 781.50 \$ 1,563.00
Fastener 1	8	\$ 5.00	\$ 40.00			8	\$ 9.00 \$ 72.00
Fastener 2	8	\$ 4.10	\$ 32.80				
Fastener 3	8	\$ 1.90	\$ 15.20				
Fastener 4	8	\$ 1.00	\$ 8.00				
Fastener 5	8	\$ 1.00	\$ 8.00				
Sales or Use Tax (7%)			\$ 148.54				
			\$ 2,270.54				
LINER PERIPHERY	2	\$ 909.00	\$ 1,818.00			2	\$ 814.00 \$ 1,628.00
Fastener 1	8	\$ 5.00	\$ 40.00			8	\$ 9.00 \$ 72.00
Fastener 2	8	\$ 4.10	\$ 32.80				
Fastener 3	8	\$ 1.90	\$ 15.20				
Fastener 4	8	\$ 1.00	\$ 8.00				
Fastener 5	8	\$ 1.00	\$ 8.00				
Sales or Use Tax (7%)			\$ 134.54				
			\$ 2,056.54				
Non-Taxable Freight				\$ 3,400.00			
OVERALL	\$94,520.64		\$75,674.22		\$29,081.09	\$78,447.53	

parts are purchased together.