

COUNCIL ACTION FORM

SUBJECT: **POWER PLANT UNIT # 8 DUMP GRATE PARTS**

BACKGROUND:

The Power Plant needs to rebuild the grate support system located in the Unit 8 Boiler. There are four grates in the boiler on which refuse derived fuel (RDF) is burned. The supports for these grates have sagged to the point of seeing fire between the structural members and the bottom waterwall headers, resulting in air leakage and grate misalignment. The headers actually cool the support structure and the gap causes the sagging to increase with time due to lack of contact cooling. During each outage, staff adjusts the grates to get by. The air leakage lowers plant efficiency. **The grates' structural and mechanical operating mechanisms now need to be rebuilt in order to continue burning RDF reliably.**

The grate support system was supplied by Detroit Stoker Company, the Original Equipment Manufacturer (OEM) for the boiler. There are no detail drawings available on the various items required to rebuild the system. Only general arrangement drawings are available. As the OEM, Detroit Stoker Company would be the only company that can supply these replacement parts without having to hire an engineering firm to redesign the support structure and connecting operating devices. It is impractical to attempt to reverse engineer the components due to the number of pieces and the complexity of the moving grate system.

For these reasons, staff is requesting that this be considered a sole source procurement and that the City Council waive the City's purchasing policies requiring formal competitive bids and award a contract to Detroit Stoker Company, of Monroe, MI for this work. The cost would be \$76,476.16 (inclusive of Iowa Sales Tax) plus freight for the Unit # 8 dump grate parts.

The FY 2013/14 operating budget includes \$385,000 for grate parts and repair. The remaining portion of this funding allocation will be used to hire a contractor to carry out these repairs.

Work on these support structures will begin during the Spring Unit 8 outage next spring.

ALTERNATIVES:

1. Waive the purchasing policy requirement for formal bidding procedures, and award a contract to Detroit Stoker Company, Monroe, MI, for Unit # 8 dump grate parts in the amount of \$76,476.16 (inclusive of IA sales tax) plus freight. The City will reimburse the contractor for the actual delivery costs.

2. Do not waive the purchasing policy requirement and advise staff to budget for and bid and install a new grate system. This cost is substantial and the earliest installation would be Fall of 2014.

MANAGER'S RECOMMENDED ACTION:

Unit # 8 will not be able to burn RDF if the dump grates in the boiler fail. Alternative No. 1 will help ensure that the support structures and operating mechanisms of these grates are properly maintained to eliminate the risk of the grates failing.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.