

COUNCIL ACTION FORM

SUBJECT: POWER PLANT SUPERHEATER ATTEMPERATOR REPLACEMENT

BACKGROUND:

On August 27, 2013, City Council approved preliminary plans and specifications for the Replacement Superheater Attemperator of the Power Plant's Unit #8 boiler. Attemperators are assemblies that allow for injection of water into the steam flow to control (cool) the final steam temperature to the turbine. Controlling the temperature of the steam to the turbine is necessary and important to protect the turbine from damage from steam that is too hot. During the Spring 2013 outage, the attemperator was inspected and the internal liner was found to be dislocated, and the original equipment manufacturer of the boiler recommended replacement. A total failure of this equipment would render Boiler #8 inoperable, while consequential damages from the failed components migrating downstream could result in a very expensive and extended repair outage.

This project is for procurement and installation of an attemperator to replace the original attemperator in the superheater.

Bid documents were issued to two firms. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published in the Ames Tribune. The bid was also sent to one plan room.

On September 11, 2013, one bid was received as shown below:

Babcock & Wilcox Power Generation Group, Barberton, OH (B & W) \$163,406.35

B & W submitted additional terms and conditions along with its bid. Due to these additional terms, staff needs additional time to review those terms before a recommendation can be made to Council. The review will ensure that the added conditions do not pose any unnecessary risk to the City.

The engineer's estimate for the purchase of the attemperator is \$155,000. This project will be completed during the Spring 2014 planned outage. Funding is available in the approved FY2013/14 Electric Production operating budget.

ALTERNATIVES:

1. Accept the report of bids and delay award for the superheater attemperator replacement.
2. Award a contract to the apparent low bidder.

3. Reject the bid and direct staff to rebid.

MANAGER'S RECOMMENDED ACTION:

Unit #8 would be inoperable if attemperator failure occurred, and the consequential damage could be very significant. Funding is included in the Power Plant operating budget. **By choosing Alternative No. 1, staff will have enough time to evaluate the apparent low bidder's submitted terms and conditions to ensure there is minimal risk to the City.**

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