

**COUNCIL ACTION FORM**

**SUBJECT: RESOURCE RECOVERY SYSTEM IMPROVEMENTS – PLANT DUST SYSTEM CYCLONE AND AIR DENSITY SYSTEM VESSEL**

**BACKGROUND:**

Within the 2013/14 Capital Improvements Plan’s Resource Recovery System Improvements program, \$150,000 was identified as replacement funds for the Plant Dust System (PDS) Cyclone. This is one of the large vessels seen on the Resource Recovery Plant rooftop. In the 2014/15 CIP Resource Recovery System Improvements program, another \$185,000 was programmed for replacement of the Air Density System (ADS) Vessel.

In lieu of competitively bidding the replacement vessels, it was recommended by the City’s Purchasing staff that the City utilize a **single source purchase** for these two components. The Legal staff has confirmed that the City would be purchasing parts or pieces of machinery, and therefore not fall under the bidding requirements of a “public improvement”.

**Air-Cure Inc. of Minneapolis, Minnesota, engineered and constructed the two existing vessels that are in operation today and have provided a service life of over 18 years. It is appropriate to seek a replacement for both vessels with no modifications to the original specifications. This will pre-emptively address concerns of proper fit, interface with existing components, and alignment of new and old parts.**

**The construction services portion of this project will be bid for the installation of both components.** This replacement approach will relieve the contractor of carrying the cost of the vessels, as well as the additional cost and time of engineering a direct replacement item. The selected contractor will replace both components during a planned nine-day maintenance outage coordinated with the 2014 Power Plant Fall Outage. Air-Cure Inc. can provide delivery of the components prior to the outage, which is tentatively planned for late September or early October 2014.

Air-Cure’s quoted costs for the PDS and ADS vessels are \$118,874 and \$134,575, respectively. With the total quoted equipment costs of \$253,449 and estimated installation cost of \$50,000, this brings **overall estimated costs to \$305,000**. As noted above, by combining the two projects the **total available funding is \$335,000**.

**ALTERNATIVES:**

1. a) Approve Air-Cure Incorporated of Minneapolis, Minnesota, as the single source provider of ADS and PDS vessels for the Resource Recovery Plant.  
  
b) Waive the competitive bidding requirements outlined in the City's Purchasing Policies.  
  
c) Approve the purchase of the PDS and ADS vessels in the amount of \$253,449.
2. a) Competitively bid and award engineering for plans and specifications of the ADS, PDS vessels.  
  
b) Competitively bid and award fabrication and construction of the vessels.
3. Reject the project.

**MANAGER'S RECOMMENDED ACTION:**

By approving this single source purchase, the City will be able to procure equipment that precisely matches the existing ADS and PDS vessels. This will facilitate the scheduled maintenance activity occurring in a timely manner with prompt resumption of RDF production. This will minimize delays and downtime, ultimately reducing the amount of municipal solid waste being diverted to the Boone County Landfill.

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