

COUNCIL ACTION FORM

SUBJECT: PARTS FOR UNIT #8 ELECTRIC TURBINE

BACKGROUND:

This bid is for the purchase of turbine parts needed for routine maintenance and inventory replenishment for Unit 8 Turbine at the Power Plant. The majority of the parts on this bid have a long lead time and is being purchased now for planned maintenance. Maintenance delays will be reduced significantly by having these parts in stock at the Plant.

On December 9, 2015, a request for quotation (RFQ) was issued to fifteen companies. The RFQ was advertised on the Current Bid Opportunities section of the Purchasing webpage, and was also sent to one plan room.

On December 23, 2015, five bids were received as shown on the attached report.

After evaluation, staff determined that the bids submitted by Action Turbine Repair Service, Inc., Fajon Machining, Inc., Turbo Parts, LLC and Power Plant Services are non-responsive because they did not bid General Electric parts. General Electric is the OEM (original equipment manufacturer) and the bid document specified that "all parts listed must be OEM manufactured parts. No substitutions."

Staff reviewed the remaining bid submitted by ARGO Turboserve Corporation, Lyndhurst, NJ in the amount of \$64,367 is acceptable. This vendor is not licensed to collect sales taxes for the State of Iowa, so the City will pay applicable Iowa Sales Taxes directly to the State. **Council should note that this vendor is the OEM for General Electric parts.**

Funding is available in the approved FY2015/16 Electric Production operating budget to cover the cost for these parts.

ALTERNATIVES:

1. Award a contract to ARGO Turboserve Corporation, Lyndhurst, NJ, for the purchase of parts for the Unit 8 Turbine in the amount of \$64,367, with applicable sales taxes to be paid directly by the City to the State of Iowa.
2. Reject all bids and delay the purchase of turbine parts.

MANAGER'S RECOMMENDED ACTION:

The purchase of these turbine parts in advance of major maintenance work will reduce the risks of delays on planned turbine work.

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



RFQ 2016-104 PARTS FOR UNIT #8 TURBINE BID SUMMARY

		BIDDER:				ARGO Turboserve Corporation Lyndhurst, NJ		Action Turbine Repair Service Inc. Summit, IL		Fajon Machining, Inc. Phoenix, AZ		Turbo Parts, LLC Clifton Park, NY		Power Plant Services Melrose Park, IL	
PART #	ITEM #	DESCRIPTION	QTY	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT	TOTAL		
1	0926E719P0001	IMPELLER	1	\$21,410.00	\$21,410.00	Non-Responsive. Did not bid General Electric parts		Non-Responsive. Did not bid General Electric parts		Non-Responsive. Did not bid General Electric parts		Non-Responsive. Did not bid General Electric parts			
2	09478031P0004	SEAL RING	1	\$1,890.00	\$1,890.00										
3	09478226P0001	ACRON NUT	1	\$904.00	\$904.00										
4	0349C733P0001	WORM BEARING	1	\$4,098.00	\$4,098.00										
5	0634A856P0001	SEAL RING	1	\$850.00	\$850.00										
6	0328D438G0001	WORM & QUILL	1	\$21,145.00	\$21,145.00										
7	09439109P0001	SPRING	1	\$475.00	\$475.00										
8	09478188P0001	COUPLING GEAR SHAFT	1	\$6,030.00	\$6,030.00										
9	0348C630P0001	RING, THRUST	1	\$3,550.00	\$3,550.00										
10	09471066P0005	WORM BEARING	1	\$3,715.00	\$3,715.00										
Sales and/or Use tax on above materials (7%)					Not Licensed										
Non-taxable shipping charges					\$300.00										
Overall:					\$64,367.00										