

COUNCIL ACTION FORM

SUBJECT: CHANGE ORDER FOR PURCHASE OF ADDITIONAL O2 PROBES

BACKGROUND:

The Power Plant purchased two O2 probes for \$21,836.56 (inclusive of Iowa sales tax) from Yokogawa Corp of America c/o Power Specialties. These O2 probes are used for measuring the amount of excess oxygen as a result of the natural gas and air combusting inside the boiler. The probes play a main role in assuring the safety and efficiency of the boiler combustion.

The system is designed to run with a total of four probes. The latest boiler tube failure caused high pressure water/steam to be blown directly at the O2 probes and have caused damage to three of the four. Two of the damaged probes have permanently failed and the third is currently working even though it has failed for a brief time in the recent past. The original purchase of \$21,836.56 was to replace the two that have permanently failed.

A change order is now needed. Staff has determined that two additional O2 probes need to be ordered in order have two spares. Staff believes that the two remaining probes have suffered damage that will cause them to permanently fail at some time in the future.

This change order will add an additional \$30,297.82 (inclusive of Iowa sales tax) to the purchase order, bringing the total order amount to \$52,134.38. The \$8,461.26 increase above the original order amount covers the freight cost for the original order and this requested change order.

Funds for the purchase of these parts is available from the approved FY 2015/16 operating budget for Electric Production which includes \$57,818.

ALTERNATIVES:

1. Approve contract Change Order No. 1 to Yokogawa Corp of America c/o Power Specialties, Raytown, MO, in the amount of \$30,297.82 (inclusive of Iowa sales tax) for the purchase of two additional O2 probes and the delivery of all four probes.
2. Reject contract Change Order No. 1 and delay the purchase of these probes.

MANAGER'S RECOMMENDED ACTION:

These O2 probes are critical in assuring the safety and efficiency of the combustion process inside the boiler and assuring the reliability of the unit. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.