



## Legislation Text

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**File #:** 16-0480, **Version:** 2

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Resolution to Award a Purchase Order for the Furnishing of Variable Frequency Drives for the Water Treatment Plant East High Service to McNaughton McKay Electric (\$128,076.62; Bid No. ITB-4411) This memorandum and resolution requests approval to award a purchase order to McNaughton McKay Electric for two variable frequency drives (VFD) for the Water Treatment Plant's East High Service pumps. The VFDs control the pumps that service the East High Service District (which includes customers in the north east section of the City, approximately bound by M-14, US-23 and Fuller Road). The VFDs have exhibited signs of failure and spare parts are no longer available.

The East High Service pumps are an integral part of the City's drinking water system. They deliver approximately 1/3 of the water pumped to City of Ann Arbor customers' equivalent to an average of 5 million gallons per day. The VFDs are essential components of the East High Service Pumps and a critical to their functionality.

The City received two bids for ITB 4411 as follows: McNaughton McKay and Integrated Power Services, LLC, of which McNaughton McKay was the lowest responsible bidder.

Bid 1: McNaughton McKay Electric: \$128,076.62

Bid 2: Integrated Power Services, LLC: \$179,106.00

The purchase order grand total is for \$128,076.62 which includes the base bid of \$110,460.76 to fabricate and deliver two 350 HP VFDs, as well as Alternate No. 1 for the purchase of a bypass contactor and Alternate No. 4 for manufacturer's training on the new equipment.

The resolution includes a contingency in the amount of \$13,000.00 to cover change orders to be approved by the City Administrator.

The total estimated total project amount for the East High Service Variable Frequency Drive replacement is \$175,000.00.

McNaughton McKay Electric complies with the requirements of the City's living wage and non-discrimination ordinances.

Funds in the amount of \$128,076.62 are available from the approved Water Supply System Capital Budget.

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Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Tom Crawford, Interim City Administrator

Whereas, The City has existing Variable Frequency Drives (VFDs) that are used to control the flow and pressure to the East High District;

Whereas, The VFDs have exhibited signs of failure and spare parts are no longer available;

Whereas, Two competitive bids for ITB-4411 were received by the Procurement Unit on Thursday, February 25<sup>th</sup>, 2016 and McNaughton McKay Electric submitted the lowest responsible bid under ITB No. 4411;

Whereas, McNaughton McKay Electric complies with the City's Living Wage and Non-discrimination Ordinances; and

Whereas, Funding in the amount of \$128,076.62 for the East High Service District is appropriated from the approved FY16 Water System Capital Budget;

RESOLVED, That the City make the following declaration for the purpose of complying with the reimbursement rules of Treasury Regulations 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, the City reasonably expects to reimburse itself for expenditures for the costs of the Project with proceeds of Bonds;

RESOLVED, That Council accept the proposal and approves a purchase order from McNaughton McKay electric in the amount of \$128,076.62 to furnish two variable frequency drives, related training, and accessories for the City's East High Service pumps;

RESOLVED, That a contingency in the amount of \$13,000.00 be approved to finance change orders to the purchase order with McNaughton McKay electric to be approved by the City Administrator; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.