



## Legislation Details (With Text)

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**Title:** Resolution to Approve a Purchase Order to Floyd's Rigging & Machinery in the amount of (\$41,199.00)

**Sponsors:**

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Date	Ver.	Action By	Action	Result
1/18/2011	2	City Council	Approved	Pass

Resolution to Approve a Purchase Order to Floyd's Rigging & Machinery in the amount of (\$41,199.00)

Floyd's Rigging and Machinery ("Floyd's") was hired in July, 2010 to lift the roof, and remove and store the generator, gearbox and shafts from Superior Dam's Hydroelectric Facility so that the 10-year inspection and maintenance could be completed on the hydroelectric equipment. A purchase order was issued for the work, estimated to be \$9,310.00.

The complexity of this work requires a large crane and highly experienced riggers for the protection of the equipment and the safety of employees. It also requires a safe storage facility for the large equipment. Floyd's is the only company who met these qualifications, was familiar with the unusual configuration of Superior dam's hydroelectric facility, and had a nearby facility to store the equipment while work at the dam was being performed. As such, Floyd's received sole source approval for the project, and a purchase order in the amount of \$9,310.00 was issued in July, 2010.

After the repairs were made, Floyd's was contacted to return the equipment and re-install it at the Superior Dam Hydroelectric facility. Upon delivery, a flaw on the inner shaft was discovered. Because the integrity of the shaft was in question, the shaft was returned to Floyd's storage facility where the extent and severity of the problem could be investigated. The additional transport, storage and rigging of the equipment and removing and replacing of the roof resulted in an additional \$21,889.00 in expenditures. Because the additional costs caused the purchase order to exceed \$25,000.00, City Council approval is necessary.

The repair of the hydroelectric equipment at Superior dam is not yet complete. The nature of this project is such that the condition and extent of repair needed on the equipment is not known until the units are removed from service and thoroughly inspected. Complications can also occur during re-installation of the equipment that requires additional rigging and crane rental. As such, City staff recommends modification of the original purchase order to include the \$21,889.00 in current expenditures and an additional \$10,000.00 to be used in the event that more rigging services are

needed to complete the project. The funds for these repairs are available in the FY11 Hydropower Operation Budget.

Floyd's Rigging and Machinery received HR and Living Wage approvals on December 8, 2010.

Prepared by: Molly Wade, Water Plant Manager

Reviewed by: Sue F. McCormick, Public Services Area Administrator

Approved by: Roger Fraser, City Administrator

Whereas, Water Plant staff needed to do a 10 year tear down and inspection of the Superior Dam Hydroelectric Facility;

Whereas, Floyd's Rigging and Machinery received sole source approval to provide rigging, crane rental and storage services for this project;

Whereas, A purchase order for \$9,310.00 was issued in July, 2010 to Floyd's Rigging and Machinery;

Whereas, In November, 2010, Floyd's Rigging and Machinery transported the equipment back to the Hydroelectric Facility to reinstall the equipment and upon delivery, a flaw was detected on the shaft that put the shaft's integrity into question and required additional rigging, crane use and storage of equipment;

Whereas, The additional services by Floyd's Rigging and Machinery resulted in \$21,889.00 in additional costs;

Whereas, The repair project is not yet complete and additional rigging and crane rental services may be necessary; and

Whereas, Floyd's Rigging & Machinery received HR and Living Wage approvals on December 8, 2010;

RESOLVED, That Council approves a change to the existing purchase order to Floyd's Rigging and Machinery in the amount of \$31,889.00 for a total amount of \$41,199.00 for the additional crane and rigging services necessary to complete the project;

RESOLVED, That this Purchase Order is to be funded from the FY11 Hydropower Operation Budget; and

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