



AGENDA MEMORANDUM

Future Item for the City Council Meeting of October 16, 2018
Action Item for the City Council Meeting of October 23, 2018

DATE: October 16, 2018

TO: Keith Selman, Interim City Manager

FROM: Dan Grimsbo, Executive Director of Utilities
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<p style="text-align: center;">Air Compressors Purchase and Preventative Maintenance for O. N. Stevens Water Treatment Plant</p>

CAPTION:

Motion authorizing a five-year service agreement with Air Specialty and Equipment Company of Corpus Christi, Texas for the purchase of air compressors and preventative maintenance at O.N. Stevens Treatment Plant for the total amount not to exceed \$70,990.

PURPOSE:

The purchase of compressors to replace existing QSF-60 Quincy compressors and preventative maintenance to help maintain uninterrupted operating condition.

BACKGROUND AND FINDINGS:

An audit of compressed air equipment was carried out at O.N Stevens Water Filtration Plant and the report revealed that one of the compressors was not operating correctly due to control issue. This issue resulted in a large amount of artificial air demand, which was due to excessive leaking of air from the compressor inlet location. Also, these existing compressors are obsolete, and their rotors are no longer manufactured. This means once they suffer catastrophic failure, we may not have the ability to have repaired or replaced.

The air audit report also suggests that two 30 hp compressors will better suit the air demand, while being large enough to accommodate a future increase in demand as well. The purchase of new compressors will resolve problems.

The Purchasing Division conducted a competitive RFB process to obtain bids for a new contract. The City received three responsive, responsible bids, and one non-responsive bid and staff is recommending the award to the lowest, responsive, responsible bidder, Air Specialty & Equipment Co.

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

Not applicable.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-emergency.

DEPARTMENTAL CLEARANCES:

Utilities - Water

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2018-2019	Current Year	Future Years	TOTALS
Line Item Budget	\$47,590	\$23,400	\$70,990
Encumbered / Expended Amount		0	0
This item	\$47,590	\$23,400	\$70,990
BALANCE	0	0	0

Fund(s): Water

Comments: The purchase of the air compressors and first year of preventative maintenance is funded in FY18-19. The preventative maintenance will continue annually through the remainder of the contract, and will be funded in future years.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Service Agreement
Bid Tabulation