



**PUBLIC WORKS AND UTILITIES
MEMORANDUM #08-10**

DATE: April 24, 2008

TO: Honorable Mayor Kathleen M. Novak and City Council Members

FROM: A.J. Krieger, City Manager 
David Allen, Director of Public Works and Utilities 

SUBJECT: CR-68 – Amendment to Purchase Order 670-109

RECOMMENDATION:

Attached to this memorandum is a Resolution which, if approved, would authorize the City Manager to amend Purchase Order 670-109 with Ambiente H2O Inc., to provide additional specialized pump replacement parts that were not included with the original purchase order. The total not to exceed amount of the amended purchase order would be \$55,083. Staff recommends approval of the Resolution.

BACKGROUND:

In 2007, City field staff conducted an inspection of the Bull Reservoir Pumping Facility located north of the City's Wastewater Treatment Plant in Weld County. The operation of this facility is integral to the management of the City's water resources. During normal operations, the City stores its treated wastewater effluent in Bull Reservoir. The treated effluent is subsequently delivered to the irrigators under the Farmers and Reservoir Irrigation Company (FRICO) system in accordance with an Exchange Agreement between the City and FRICO. The Bull Reservoir Pumping Facility is used to withdraw the water stored in Bull Reservoir.

There have been no significant upgrades, replacements, or refurbishments to the Bull Reservoir Pump Facility since it was first placed in service in 1982. During the 2007 inspection, City field staff discovered that some of the internal pumping components are showing signs of excessive wear and tear while others parts are still in good condition. Rather than purchasing completely new pump units, staff decided to focus on replacing and refurbishing the items that need immediate attention to extend the operating life of the facility.

A total of \$100,000 was included in the 2008 Capital Improvements budget for this project. The majority of this budget was intended for the purchases of materials with a relatively small amount dedicated for outside contract services. City field staff will provide most of labor and equipment necessary to complete the project. Specific improvements to the facility include 1) replacing pump impellers, line shafts, and bearings for the three pump units, 2) sand blasting and recoating the pump bowl assemblies, pump stands, and intake lines, and 3) upgrading the supervisory control and data acquisition (SCADA) system.

Staff contacted Ambiente H2O Inc. (Ambiente), a sole source provider for Fairbanks Morse Pumps, to obtain a quote for the replacement parts related to Item 1 above. After obtaining the quote from Ambiente, staff opened a purchase order for the quoted amount of \$37,478.00 on January 10, 2008

(PO 580-166). At the time the purchase order was issued, the City Manager's spending authority was \$50,000.00. On March 3, 2008, PO 580-166 was reissued and assigned a different number (PO 670-109) to reflect a change in the project account number; there was no change to the scope/quantity of items or the total dollar amount.

Upon the removal and further inspections of the internal pumps components, additional parts were identified that needed replacement. Staff received a second quote from Ambiente in the amount of \$14,982 for the additional parts. The revised cost to purchase the pump equipment replacement parts is now \$52,460. An additional 5% (\$2,623) has been added to this estimate for unanticipated incidental expenses (i.e. minor miscellaneous fittings and installation). Thus, the amended purchase order, if approved, would total \$55,083.

Since the City Manager's spending authority was reduced from \$50,000 to \$25,000, and since the total amount of the purchase order with the additional items would exceed both the previous and the current spending limit, Council approval is necessary before the purchase order can be amended.

Projected costs for each portion of the project, including the estimate for the additional parts, are summarized below:

\$55,083 – Replacement parts for the pump units

\$7,500 – Sand blast and recoat pump bowls

\$20,000 – SCADA system improvements

As such, the estimated cost for the entire project is \$82,583 excluding the labor and equipment provided by the City. Since the approved project budget was \$100,000, approximately \$17,417 would revert back to the fund balance or could be made available for other water and sewer projects.

POTENTIAL OBJECTION:

City Staff is not aware of any specific opposition to the proposed purchase order.

BUDGET/TIME IMPLICATIONS:

There is no impact to the General Fund. The not to exceed cost for the amended purchase order is \$55,083.00. There are sufficient funds in the 2008 Capital Improvements Fund (account number 516.69272.000.3999.899) to pay for the replacement parts.

STAFF REFERENCE:

If Council Members have any comments or questions, they may contact David Allen at (303) 450-8783 or dallen@northglenn.org.

SPONSORED BY: MAYOR NOVAK

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-68
Series of 2008

Series of 2008

A RESOLUTION TO AUTHORIZE THE CITY MANAGER TO AMEND PURCHASE ORDER NO. 670-109 WITH AMBIENTE H2O INC. IN AN AMOUNT NOT TO EXCEED \$55,083 FOR THE BULL RESERVOIR PUMP STATION IMPROVEMENTS PROJECT

WHEREAS, the Bull Reservoir Pumping Facility is integral to the City's Wastewater Treatment Plant located in Weld County; and

WHEREAS, funding for improvements to the Bull Reservoir Pump Station were included in the 2008 Capital Improvements Budget; and

WHEREAS, the Bull Reservoir Pumping Facility's internal pumping components are in need of repair to extend the operating life of the facility, and additional improvements have been identified for the project.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The City Manager is hereby authorized to execute an amendment to Purchase Order No. 670-109 with Ambiente H2O, Inc. in an amount not to exceed \$55,083 for the Bull Reservoir Station Improvements Project.

DATED at Northglenn, Colorado, this ____ day of _____, 2008.

KATHLEEN M. NOVAK
Mayor

ATTEST:

APPROVED AS TO FORM:

JOHANNA SMALL, CMC
Acting City Clerk

COREY Y. HOFFMANN
City Attorney