



MEMORANDUM

To: Mayor and City Council

From: Ken Griffin, P.E., Director of Engineering and Public Works

Date: April 22, 2014

Reference: Consider approval of Change Order 1 in the amount of \$23,496.00 to Smith Pump Company, Inc. for the purchase of water pumps for the Village Parkway Pump Station.

2030: Sustainable City Government, Goal 3
Excellent and Well-maintained City Infrastructure and Facilities

Introduction:

This agenda item is being presented for approval of the purchase of a pump casing for the Village Parkway Pump Station from Smith Pump Company, Inc. in the total amount of \$23,496.00. This item is being brought before Council because we issued a purchase order to this same vendor about a month ago for similar items. Once this change order is added to the original purchase order of \$37,010.60 the total amount to this vendor will be \$60,506.60, which exceeds the \$50,000.00 threshold. Funds for this purchase are designated in the current FY2013-14 City Budget.

Analysis:

In this current fiscal year budget, Utility Operations Division budgeted funds to replace pumps and pump impellers at the Village Parkway Pump Station. One of the items to be replaced was the impeller in Pump #4. This pump is over 12 years old and has never had the impeller replaced. In January, we removed the top casing of the pump to do a visual inspection of the impeller and to insure that the seals did not need replacing as well. We discovered the impeller was still in very good condition and did not need replacing at this time. We did discover that the bearing housing on the outbound side had a hairline crack and would need to be replaced at a future date.

At the end of January, we contacted Smith Pump for a quote for the purchase and installations of a new 250 HP pump to replace pump #5. We also asked for a quote for a spare 450 HP pump in case we had a problem with pumps #1, #2 or #3. These three pumps are interchangeable. We received the quote on February 28th. The quote was for \$37,010.60. We issued a purchase order for these pumps on March 12th. There is an 18 week lead time for these pumps.

After the visual inspection of pump #4, our crew put the pump back together. Upon reassembly there were problems with it leaking. In spite of several different attempts to get the pump casing to stop leaking we were unsuccessful. When we disassembled the pump again to install new gaskets, we discovered cracks in the bottom casing. We contacted Smith Pump about the cracks. Their representative came out to the station to see if the casing could be repaired or if the pump would have to be replaced. It was their opinion that the crack was in a spot that could not be repaired and told us it would need to be replaced. On April 1st, they provided us with a quote of \$87,000.00 for a new 600 HP pump. They also told us that the factory had all of the parts to assemble the pump and could have it delivered in 12 to 16 weeks instead of the usual 24 to 30 weeks.

We discussed this problem internally and decided to contact Smith Pump again for a quote for just the pump casing. Since the impeller, bearings and other parts were still in good condition, we decided to rebuild the pump using a new casing and the existing impeller, etc. On April 4th, Smith Pump provided us with a quote for the new casing in the amount of \$23,496.00. Again, this change order for the casing pushes this purchase order over the \$50,000.00 threshold and will require City Council approval.

Flowserve Corporation is the pump manufacturer. Smith Pump Company, Inc. is the area representative for Flowserve and is a sole source for this pump. See the attached sole source letter provided by Smith Pumps.

Legal Review:

This agenda item did not require legal review.

Fiscal Impact:

Funds for this purchase are designated in the current FY2013-14 City Budget.

Recommendation:

The Engineering Department and Utility Operations Division recommend this purchase.