



UTILITIES COMMITTEE MEETING

Wednesday, January 14, 2009

City Council Chambers

5:15 p.m.

Alderman Sam Cahnman	Chairman
Alderman Gail Simpson	Vice-Chairman
Alderman Steven Dove	Member
Alderman Frank Kunz	Member
Alderman Frank Edwards	Member

AGENDA

- 1. Approval of Monday, December 29, 2008 Utilities Committee Minutes**
- 2. Ordinances Tabled or Remaining In Committee**

2008-337 A Resolution To Abandon The Construction Of Hunter Lake (**Requested By Ald. Edwards**) (**Utilities**) (**Remains In Committee 12/10/08**)

2008-479 An Ordinance Approving And Authorizing The Execution Of Five Separate Employment Contracts For Existing Personnel Within The Electric Division For The City Of Springfield Office Of Public Utilities. (**Requested By Mayor Timothy J. Davlin**) (**Utilities**) (**Remains In Committee 7/15/08**)

- 3. Ordinances for Committee Consideration**

2008-937 An Ordinance Authorizing The Execution Of Letter Offers For Extension, Approving One-Year Contract Extensions And Authorizing Additional Funding In The Total Amount Of \$283,585.48 With Clow Valve Company, A Division Of Mcwane, Inc., And Schulte Supply, Inc. Under Contract No. Uw08-01-84 For The Purchase Of Water Main Valves And Tapping Sleeves For The Water Division, For A Total Amount Payable Of \$567,170.96 Under Said Contracts (**Requested By Alderman Cahnman**) (**Utilities**)

Description: This ordinance authorizes one-year contract extensions and additional funding for the purchase of gate and tapping valves, and tapping sleeves for the City of Springfield Office of Public Utilities Water Division Field Services Center. Ordinance No. 201-04-08 awarded Contract No. UW08-01-84 to Clow Valve Company, a division of McWane, Inc. and Schulte Supply, Inc. for one-year terms in the total amount of \$283,585.48.

Clow Valve Company was awarded Sections A & B of the contract for approximately 800 resilient-sealed gate valves and tapping valves in the amount of \$251,530.96. Schulte Supply

Company was awarded Section C of the contract for approximately 80 tapping sleeves in the amount of \$32,054.52. In accordance with contract specifications, the City wishes to extend these contracts for one year based on the 2008 bid contract unit prices.

This ordinance will increase the amount payable under the original ordinance and contract by \$283,585.48 for a total amount payable of \$567,170.96 to the vendors, and extends the contracts through February 28, 2010. This is a unit price contract. The vendor is not guaranteed a minimum order. Only materials needed during the contract period will be ordered.

Per the City Purchasing Agent, a Change Order is not necessary because this action does not alter any of the terms and conditions as previously agreed to by the vendor. Only authorization to extend the contract and expend additional funds through this ordinance is necessary.

Criteria for Award: Low Bid (**Original Award**)

2008-938 An Ordinance Authorizing The Execution Of A Letter Offer For Extension, Approving A One-Year Contract Extension And Authorizing Additional Funding In The Amount Of \$150,000.00 Under Contract No. UE08-09-61 With H.D. Supply Utilities, Ltd. For The Purchase And Delivery Of Underground Electric Components For The Electric Division For A Total Amount Payable Of \$296,677.23 Under Said Contract (**Requested By Alderman Cahnman**) (**Utilities**)

Description: This ordinance authorizes a one-year contract extension and additional funding for the purchase and delivery of underground electric components from H.D. Supply Utilities, Ltd. for the City of Springfield Office of Public Utilities' Electric Division. Ordinance No. 814-11-07 awarded Contract UE08-09-61 to H.D. Supply Utilities, Ltd. for a one-year term in the total amount of \$146,667.23. The materials to be purchased under this contract include standard separable and special separable connectors, fused elbows and fuses, faulted circuit indicators, terminators, splices and cable preparations, and junctions.

In accordance with contract specifications, the City wishes to extend the contract with H.D. Supply Utilities, Ltd. for one year based on the 2007 bid contract prices. This ordinance will increase the amount payable under the original ordinance and contract by \$150,000.00, for a total amount of \$296,677.23 payable to said vendor and will extend the contract term through November 30, 2009.

Per the City Purchasing Agent, a Change Order is not necessary because this action does not alter any of the terms and conditions as previously agreed to by the vendor. Only authorization to extend the contract and expend additional funds through this ordinance is necessary.

Criteria for Award: Only Bid (**Original Award**)

2008-939 An Ordinance Accepting The Bid And Authorizing The Execution Of Contract UW09-11-94 – Three- To Ten-Inch Automatic Meter Reading (AMR) Capable Water Meters With Midwest Meter, Inc. In The Amount Of \$82,163.00 (**Requested By Alderman Cahnman**) (**Utilities**)

Description: This ordinance accepts Contract UW09-11-94 with Midwest Meter, Inc. in the amount of \$82,163.00 for the purchase of approximately 32 automatic meter reading (AMR) capability cold water meters ranging from three- to 10-inches in size along with 90 replacement register sets for the City of Springfield Office of Public Utilities Water Division Field Services Center. These materials are required for commercial and residential water services. The vendor is not guaranteed a minimum order. This is a unit price contract. Only the materials needed during the one-year contract period will be ordered.

The ordinance price of \$82,163.00 reflects a \$1,463.00 credit for recycling of old meters. The old meters are recycled by the vendor for their bronze contents. This contract with Midwest Meter, Inc. will be in effect on the date of award and will continue for one year, with the potential to extend the contract for an additional year thereafter with City Council approval.

Criteria for Award: Only Bid

2008-940 An Ordinance Accepting The Bid And Authorizing The Execution Of Contract UW09-11-95 – Large Automatic Meter Reading (AMR) Capable Water Meters With Midwest Meter, Inc. In The Amount Of \$428,800.00 (**Requested By Alderman Cahnman**) (**Utilities**)

Description: This ordinance accepts Contract UW09-11-95 with Midwest Meter, Inc. in the amount of \$428,800.00 for the purchase of approximately 400 automatic meter reading (AMR) capability large cold water meters ranging from one and one-half to two-inches in size along with 1,600 replacement register sets for the City of Springfield Office of Public Utilities Water Division Field Services Center. These materials are required for commercial water services. The vendor is not guaranteed a minimum order. This is a unit price contract. Only the materials needed during the one-year contract period will be ordered.

The ordinance price of \$428,800.00 reflects a \$2,600.00 credit for recycling of old meters. The old meters are recycled by the vendor for their bronze contents. This contract with Midwest Meter, Inc. will be in effect on the date of award and will continue for one year, with the potential to extend the contract for an additional year thereafter with City Council approval.

Criteria for Award: Only Bid

2008-941 An Ordinance Accepting The Bid And Authorizing The Execution Of Contract UE09-11-93 – Spectra Logic Fibre Channel T120 Library For The Administrative Services Division Information Systems Department With Systems Evaluation And Analysis Group, Inc., D/B/A S.E.A. Group, Inc. In The Amount Of \$79,618.00 (**Requested By Alderman Cahnman**) (**Utilities**)

Description: This ordinance accepts Contract UE09-11-93 with Systems Evaluation and Analysis Group, Inc., d/b/a S.E.A. Group, Inc., for the purchase of a Spectra Logic Fibre Channel T120 tape library for the City of Springfield Office of Public Utilities Administrative Services Division Information Systems Department (ISD) primary data center in the amount of \$79,618.00. The new tape library replaces an existing tape library that is obsolete and no longer under warranty.

The new device will be installed in the Municipal Center West and will provide for expanded data storage capability, primary high speed data backup to magnetic media and potential

expandability for organization-wide backup and recovery protection. The most significant items in this contract include one Spectra T120 Library Direct Connect Chassis, \$19,200.00; eight, Media Packs, \$7,520.00; two, Linear Tape Open (LTO) four-drive/sled fibre channels, \$23,968.00; six, Spectra T120 Capacity on Demand (COD) additional storage slots, \$3,600.00; on-site installation/integration services, \$4,500.00; and three years of maintenance support, \$18,500.00.

Criteria for Award: Only Bid

2008-942 An Ordinance Approving The Purchase Of Microsoft Product License Upgrades And Licenses And Visio Software Licenses For The Administrative Services Division Information Systems Department In The Total Amount Of \$155,977.86 From CDW Government, Inc. Under State Of Illinois Contract No. CMS5003360 (**Requested By Alderman Cahnman**) (**Utilities**)

Description: This ordinance authorizes the purchase of Microsoft Office 2007 Professional software upgrades and licenses and Visio 2007 software licenses for the City of Springfield Office of Public Utilities Administrative Services Division Information Systems Department (ISD). The Microsoft Operations Management Server licenses will allow for monitoring of additional City and utility servers. This ordinance also includes the purchase of Visual Studio Team Server and client, Exchange 2007 servers and clients, 2008 servers and client access licenses.

The software licenses and upgrades will be purchased from CDW Government, Inc. under State of Illinois Contract No. CMS5003360 in the total amount of \$155,977.89. The most significant items in this contract include 150, Microsoft Office 2007 Professional application suite licenses, \$45,201.00; 1,200, E-Mail Client access licenses, \$26,640.00; 50, Operations Manager Server Monitoring licenses, \$13,401.50; 10, Server 2008 Enterprise licenses, \$14,678.40; and, 1,200, Network Server Client Access licenses, \$21,888.00.

Criteria for Award: State Contract

2008-943 An Ordinance Accepting And Authorizing The Execution Of A Proposal With Custom Chemical, Inc. In The Amount Of \$106,320.00 For The Purchase Of Sodium Formate For The Dallman Power Plant Units 31/32 And Unit 33 Wet Flue Gas Desulphurization Systems For The Electric Generation Department (**Requested By Alderman Cahnman**) (**Utilities**)

Description: This ordinance approves and authorizes execution of a proposal with Custom Chemical, Inc. for the purchase of Sodium Formate for the City of Springfield Office of Public Utilities' Dallman Power Plant Units 31/32 and Unit 33 Wet Flue Gas Desulphurization Systems (WFGD) in the amount not to exceed \$106,320.00 on a trial basis. The WFGD systems neutralize sulfur dioxide in flue gas emissions.

Since January 1, 2000, the Office of Public Utilities has used Adipic Acid and Dibasic Acid to increase the sulfur dioxide (SO₂) removal efficiency of its WFGD systems. At present, the utility primarily uses Dibasic Acid. Both materials have proven very effective at increasing scrubbing efficiency. However, during the last several years, the price of these products has increased and the supply has shortened as other utilities have discovered the benefits of these

products. In addition, as the closest supply of Dibasic Acid is nearly 900 miles away, the shipping costs for this product has significantly increased over the past year.

The Office of Public Utilities has researched the potential use of Sodium Formate and determined that it may prove to be as effective as the Dibasic Acid, and could be purchased at a much lower cost. A testing period of up to six weeks will be conducted to determine the benefits or liabilities of Sodium Formate. The utility could save nearly \$7,600.00 per load, or as much as \$92,000.00 over the test period by using Sodium Formate. In comparison, a load of Dibasic Acid cost \$16,458.74.

Criteria for Award: Sole Source

2008-944 An Ordinance Accepting And Authorizing The Execution Of A Quotation With KSB Inc. In The Amount Of \$129,754.00 For The Purchase Of Various Spare Parts For The Dallman Power Plant Unit No. 4 (**Requested By Alderman Cahnman**) (**Utilities**)

Description: This Ordinance accepts and authorizes the execution of a quotation with KSB Inc. in the amount of \$129,754.00 for the City of Springfield Office of Public Utilities' Electric Generation Department for the purchase of spare parts for the Dallman Power Plant Unit No. 4.

It is necessary for the utility to establish an inventory of spare parts in order to support the upcoming startup and ongoing operation of the Dallman Power Plant Unit No. 4. In addition, original equipment manufacturer parts are required for the first year of operation in order to comply with the various manufacturers' warranty requirements. This ordinance authorizes the purchase of parts for the Boiler Feed Pumps. Dallman Unit 4 has two Boiler Feed Pumps that deliver water to the boilers.

The spare parts are warranted for 12 months from the date of shipment. This ordinance is one of several ordinances required for the purchase of spare parts for Dallman Unit No. 4. This procurement will be funded by 2008 Electric Revenue Bonds.

Criteria for Award: Sole Source

2008-945 An Ordinance Accepting And Authorizing The Execution Of Proposal No. 1-23DJUD With General Electric International, Inc. In The Amount Of \$379,560.30 For The Purchase Of Replacement Parts For Dallman Power Plant Unit No. 33 Turbine Generator For The Electric Generation Department (**Requested By Alderman Cahnman**) (**Utilities**)

Description: This ordinance accepts and authorizes the execution of a proposal with General Electric International, Inc. ("GE") for the purchase of replacement parts for the City of Springfield Office of Public Utilities' Dallman Power Plant Unit No. 33 Turbine Generator in the amount of \$379,560.30. The 2006 General Electric Turbine/Generator Inspection Report recommends replacing the parts during the next unit overhaul, which will take place during the Spring 2009 scheduled Maintenance Outage.

General Electric International, Inc. recommends a Minor Maintenance Overhaul every three years inspecting the main stop, combined re-heat, control, and extraction non-return valves, 14 valves in total. The replacement parts to be purchased under this ordinance are the recommended parts the Office of Public Utilities will need to have on hand during the Spring

2009 scheduled outage. The installation of the replacement parts, which will take place from March 27 through April 17, 2009, will be authorized under a separate companion ordinance with General Electric International, Inc.

Criteria for Award: Sole Source

2008-946 An Ordinance Accepting And Authorizing The Execution Of Proposal No. 1-23DJSJG With General Electric International, Inc. In The Amount Of \$467,046.00 For The Installation Of Replacement Parts For Dallman Power Plant Unit No. 33 Turbine Generator For The Electric Generation Department (**Requested By Alderman Cahnman**) (**Utilities**)

Description: This ordinance accepts and authorizes the execution of a proposal with General Electric International, Inc. ("GE") for the installation of replacement parts for the City of Springfield Office of Public Utilities' Dallman Power Plant Unit No. 33 Turbine Generator in the amount of \$467,046.00. GE will provide specially trained engineers, skilled craft labor and technical direction as required to disassemble, clean, inspect, and reassemble Dallman Unit 33's Turbine Valves. The 2006 General Electric Turbine/Generator Inspection Report recommended replacing the parts during the next unit overhaul, which will take place during the Spring 2009 scheduled Maintenance Outage.

General Electric International, Inc. recommends a Minor Maintenance Overhaul every three years inspecting the main stop, combined re-heat, control, and extraction non-return valves, 14 valves in total. Work will be performed over a three-week period beginning March 27 through April 17, 2009. The purchase of the replacement parts will be authorized under a separate companion ordinance with General Electric International, Inc.

Criteria for Award: Professional Services

2009-001 An Ordinance Authorizing A Change In Scope Of Contract UE09-07-52 – Interstate Substation 138 Kv Transmission Line Structure With Engineered Endeavors, Inc. In The Amount Of \$212,741.00 By Authorizing An Additional \$16,373.00, For A Total Amount Of \$229,114.00 Payable Under This Contract (**Requested By Alderman Cahnman**) (**Utilities**)

Description: This Ordinance approves a Change Order to Contract UE09-07-52 for the purchase of seven new steel structures for the 138 Kilovolt (kV) Transmission Line for the addition to the Interstate Substation with Engineered Endeavors, Inc. by authorizing the purchase of an additional transmission line structure and increasing the total amount payable to the vendor by \$16,373.00.

Ordinance No. 685-10-08 approved the original contract with Engineered Endeavors, Inc. in the amount of \$212,741.00 for the design, material, welding, inspection, manufacture, protective coating, drawings and delivery, complete with accessories, for seven transmission line structures for the Interstate Substation addition. The addition will be used to expand the Interstate Substation into a breaker-and-a-half arrangement, which will allow Ameren Line 1384 to be terminated within the Substation, creating another tie to the transmission system.

Currently, the transmission line is constructed in a horizontal manner, however, it has been determined during the planning of this project that phasing to the generator needs to be switched. In this case, the best solution is to install an eighth pole so that the electric phases

can be switched around. This additional structure will be installed at the Dallman Power Plant. The original ordinance and Change Order bring the total amount payable to Engineered Endeavors, Inc. to \$229,114.00. This \$229,114.00 Interstate Substation addition project will be funded by Electric Division 2008 Electric Revenue Bonds.

Criteria for Award: Low Bid (**Original Award**)

2009-003 An Ordinance Further Amending Ordinance No. 628-11-04, "An Ordinance To Define And Limit The Contributions/Payments Made From The Office Of Public Utilities Funds And Define The Inter-Fund Financial Policies, As Amended," To Restructure And Increase Electric Wholesale Payments To The Corporate Fund (**Requested By Alderman Cahnman**) (**Utilities**)

Description: This Ordinance further amends Ordinance No. 628-11-04 to restructure and recalculate the portion of CWLP's Payment in Lieu of Taxes (PILOT) to the Corporate Fund, which is based on wholesale electric sales. Currently, the PILOT calculation calls for 3.5% of gross revenues from wholesale sales to be paid to the Corporate Fund. This Ordinance changes that provision for wholesale sales to 30% of net income from wholesale sales. This Ordinance does not change the retail portion of the PILOT calculations, which remains at 2.67% of retail revenues, adjusted for uncollectible debt, penalties and taxes.

4. **Unfinished Business**
5. **New Business**
6. **Requests To Address Utilities Committee**
7. **Adjournment**

Cecilia K. Tumulty
Cecilia K. Tumulty, C.M.C.
City Clerk