



HISTORIC
FRANKLIN
TENNESSEE

ITEM #4
FINANCE
2-15-11

MEMORANDUM

February 9, 2011

TO: Budget & Finance Committee of the Board of Mayor & Aldermen

FROM: Russell Truell, Assistant City Administrator for Finance & Administration
Mark Hilty, Water Management Director
Brian Wilcox, Purchasing Manager

SUBJECT: Consideration of sole-source purchase from Ashbrook Simon-Hartley of Houston, TX in the total amount of \$201,070 for parts, supplies, materials and labor necessary to recondition two (2) Klampress Type 94-890 Size 3 (2.0 meter) belt filter presses for the Water Reclamation Division of the Water Management Department (\$170,000 budgeted in 431-89530-52213 for fiscal year 2011)

Purpose

The purpose of this procurement is to undertake the scheduled reconditioning of two (2) belt filter presses that are necessary for the proper operation of the Water Reclamation Facility.

Background

The Water Management Department Water Reclamation Division budget for fiscal year 2011 allocates \$170,000 out of the Sewer Fund for rehabilitation of belt filter presses for the Water Reclamation Division of the Water Management Department. In 2009, the vendor estimated that the roller components of the presses, which were first put into service in 2001, had approximately 25% of their service life remaining.

Financial Impact

Inasmuch as the rehabilitation must be undertaken by the manufacturer in order for the parts and labor to be covered by warranty, this is a sole-source purchase. The quoted pricing for the reconditioning, including supplies, materials, labor and expenses, equals \$100,535 per press. As staff recommends two (2) presses be reconditioned at this time, the total financial impact would be \$201,070, an amount that is \$31,070 (18%) over budget. The vendor has been asked to confirm in writing that the quoted pricing represents the lowest unit pricing possible at this time and in the foreseeable future for the indicated quantity. City consulting engineer CDM is of the opinion that the quoted pricing is within what would be expected in the market place for this industry at this time.

Options

Staff estimates that rehabilitation of this equipment is about 40% less expensive than replacing it.

Recommendation

Staff recommends that the City accept the pricing quoted by Ashbrook Simon-Hartley of Houston, TX and approve the sole-source purchase in the total amount of \$201,070 for parts, supplies, materials and labor necessary to recondition two (2) Klampress Type 94-890 Size 3 (2.0 meter) belt filter presses for the Water Reclamation Division of the Water Management Department. Purchasing Manager Brian Wilcox is of the opinion that this proposed sole-source purchase appears to be justified.