



## Legislation Text

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Resolution Determining Detroit Stoker Company, LLC to be the Only Source Practicably Available From Which to Procure Boiler Stoker Parts and Accessories and Authorizing the Negotiation and Execution of a Purchase Contract with Detroit Stoker Company, LLC as "Sole Source"

### **PURPOSE/BACKGROUND:**

Detroit Stoker Company, LLC has been a sole source vendor at the Hampton/NASA Steam Plant since it came on line. Recently, in order to comply with the required procedures for City procurements made using federal grant funds under the Uniform Guidance issued by the Office of Management and Budget, the Steam Plant was directed to review and renew its Sole Source vendors in accordance with Article 6 of §2.2-4300 et seq. of the Code of Virginia.

### **Discussion:**

The Steam Plant employs two Keeler Boilers using Detroit Stoker Company reciprocating stokers. These units are integral to the boilers and subjected the full heat and corrosive environment of the furnaces. Like most machinery, they require routine maintenance, but due to the extreme heat loading and nature of the refuse, they have a short lifespan. While many parts are generic in nature and can be fabricated in house or are available on the open market, the most critical pieces are proprietary to Detroit Stoker Company and only obtainable through their precise manufacture.

The Steam Plant routinely requires some \$200,000 worth of Detroit Stoker Company parts a year.

### **Impact:**

The stokers are critical components in the boilers. Their failure means the boiler in question must be secured and the Plant's refuse disposal and steam generation capacity is halved. This is a severe detriment to meeting our mission to NASA LaRC and impacts the Plant's budget since we must divert commercial refuse and lose their revenues. That can cost the Plant up to \$2,300 per day per boiler. We stockpile the most critical parts so that in the event of failure we can ensure a rapid repair and return to service, but we must be able to restock these parts quickly.

### **Recommendation:**

Approve Resolution

**WHEREAS**, Hampton City Council recognizes the public interest in providing through its Public Works/Steam Plant the most efficient means reasonably available and affordable to maintain the Public Works/Steam Plant stoker parts;

**WHEREAS**, Detroit Stoker Company, LLC is the exclusive manufacturer of OEM Detroit Stoker parts which the city requires for continued normal operations of the Public Works/Steam Plant; and

**WHEREAS**, the price at which Detroit Stoker Company, LLC has offered the stoker parts has been determined to be fair and reasonable.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Hampton, Virginia as follows:

1. That the contract for procuring goods described above may be negotiated and awarded to Detroit Stoker Company, LLC as a “sole source” without competitive sealed bidding or competitive negotiation as set forth in Virginia Code Section 2.2-4303(E);
2. That the City Manager or his authorized designee is hereby authorized to negotiate and execute a purchase contract with Detroit Stoker Company, LLC; and
3. That the notice awarding the contract to Detroit Stoker Company, LLC shall be posted in a public place pursuant to Virginia Code Section 2.2-4303(E).