



Legislation Text

File #: 19-0231, **Version:** 1

Resolution Determining The Babcock & Wilcox Company to be the Only Source Practicably Available From Which to Procure Materials and Service for Formerly Diamond Power Boiler Internals and Soot Blowers and Authorizing the Negotiation and Execution of a Purchase Contract with The Babcock & Wilcox Company as "Sole Source"

PURPOSE/BACKGROUND:

The Hampton/NASA Steam Plant's boilers employ Diamond Power soot blowers as an essential component to good combustion practices. Additionally, Diamond Power supplies the parts and materials to operate their residue ash conveyors required to pull bottom ash out of the building. Diamond Power has been purchased by The Babcock & Wilcox Company. This resolution will shift the Hampton/NASA Steam Plant's sole source permissions from Diamond Power to The Babcock & Wilcox Company.

Discussion:

Diamond Power has been a sole source vendor at the Steam Plant since approximately 2009. Recently, they were purchased by The Babcock & Wilcox Company. The Steam Plant still relies heavily on Diamond Power equipment. There have been no discernable changes in price or service since The Babcock & Wilcox Company has assumed their role. Changing the 10 soot blowers and two bottom ash chains would be a capital investment that would be cost prohibitive, unnecessary, and still require a sole source resolution for the new vendor.

Impact:

The soot blowers are used at least daily to clean the boiler tubes and support good combustion in compliance with our VA DEQ air permit. The bottom ash conveyors work literally around the clock to remove residue ash from the building after the combustion process. Failure to maintain adequate repair parts for these components would force the plant to shut down within a day.

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 soot blowers parts and service;

WHEREAS, The Babcock & Wilcox Company is the exclusive representative of OEM parts and service which the city requires for the proper operation of the Public Works/Steam Plant soot blowers; and

WHEREAS, the price at which The Babcock & Wilcox Company has offered the 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 The Babcock & Wilcox Company 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 The Babcock & Wilcox Company; and
3. That the notice awarding the contract to The Babcock & Wilcox Company shall be posted in a public place pursuant to Virginia Code Section 2.2-4303(E).