

Mayor and Council Communication

DATE: 08/27/24

M&C FILE NUMBER: M&C 24-0707

LOG NAME: 13P RFP 24-0239 GAS TURBINE ENGINE EXCHANGE AND/OR OVERHAUL AW

SUBJECT

(ALL) Authorize Execution of Agreement with Solar Turbines Incorporated for the Gas Turbine Engine Exchange and/or Overhaul Services for the Water Department for a Contract Amount Up to \$2,200,000.00 for a Three-Year Agreement Term and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contributions to Fiscal Years 2024-2028 Capital Improvements Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of an agreement with Solar Turbines Incorporated for gas turbine engine exchange and/or overhaul services for the Water Department for a contract amount up to \$2,200,000.00 for a three-year agreement term; and
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water and Sewer Capital Projects Fund in the amount of \$2,200,000.00, transferred from available PayGo funds within the Water and Sewer Fund, for the purpose of funding the Water and Sewer Outlay project (City Project No. P00087) to fund the Gas Turbine Engine Exchange and/or Overhaul Services within the Water FY24 Non-Fleet Equipment project (City Project No. 105699) and to effect a portion of Water’s Contribution to the Fiscal Years 2024-2028 Capital Improvement Program.

DISCUSSION:

The Water Department approached the Purchasing Division for assistance with securing an agreement for the purchase of gas turbine engine exchanges and/or overhaul services for the two Solar Taurus 60 gas turbines located at Village Creek Water Reclamation Facility. The two gas turbines that provide electricity for Village Creek Water Reclamation Facility are in need of their engines to be exchanged or overhaul services to be completed on the existing engines as they have both exceeded the recommended runtime for the engine. Purchasing issued a Request for Proposal (RFP) that consisted of the service requirements to ensure the engines are properly exchanged or overhauled, tested, and re-installed, and the warranty requirements to ensure if the exchanged or overhauled engines have any defects in materials or workmanship, the vendor will remedy these issues.

The RFP was advertised in the *Fort Worth Star-Telegram* on June 26, 2024, July 3, 2024, July 10, 2024, and July 17, 2024. The City received two responses.

An evaluation panel consisting of representatives from the Water and Transportation and Public Works Departments reviewed and scored the proposals using Best Value criteria. The individual scores were averaged for each of the criteria and the final scores are listed in the table below.

Proposer	Evaluation Factors				
	a	b	c	d	Total score
EthosEnergy Light Turbines, LLC	16.00	16.50	16.50	25.05	74.05
Solar Turbines Incorporated	16.50	15.50	16.50	40.00	88.50

Best Value Criteria:

- a. Contractor’s experience and availability of a testing facility to complete the turbine exchanges and/or overhauls
- b. Contractor’s timeframe for exchange or overhaul to be completed
- c. Contractor’s ability to meet the City’s needs
- d. Cost of services

After evaluation, the panel concluded that Solar Turbines Incorporated presented the best value. Therefore, the panel recommends that Council authorize an agreement with Solar Turbines Incorporated. No guarantee was made that a specific amount of services would be purchased. Staff certifies that the recommended vendor’s proposal met specifications.

It is the practice of the Water Department to appropriate its Capital Improvement Plan (CIP) throughout the Fiscal Year (FY), instead of within the annual budget ordinance, as projects commence, additional funding needs are identified, and to comply with bond covenants. The actions in the Mayor & Council Communication will appropriate funds in support of the Water’s portion of the City of Fort Worth’s Fiscal Years 2024-2028 Capital Improvement Program, as follows:

Capital Fund Name	Project Name	FY2024CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2024 Budget
Fund 56002 - W&S Capital Projects	105699 – FY24Non-Fleet Equipment	\$0.00	This M&C	\$2,200,000.00	\$2,200,000.00

Funding is budgeted in the Transfer to Water/Sewer account of the Water operating budget for the purpose of purchasing the Gas Turbine Engine Exchange and/or Overhaul Services within FY24 Non-Fleet Equipment project in the Water & Sewer Capital Projects Fund.

FY2024 – Water PAYGO Appropriations per City Ordinance 26453-09-2023

FY2024 Original Adopted PayGo	FY2024 Amended PayGo (Includes any council actions subsequent to budget adoption)	YTD PayGo Approved for/Moved to Capital Projects	This M&C	FY2024 Remaining PayGo Balance
\$84,505,035.00	\$143,330,035.00	\$(83,167,969.38)	\$(2,200,000.00)	\$57,962,065.62

Note: there may be other pending actions or recently approved actions that are not reflected in the table due to timing.

DVIN-BE: This solicitation was reviewed by The Business Equity Division for available business equity prospects according to the City’s Business Equity Ordinance. There were limited business equity opportunities available for the services/goods requested, therefore, no business equity goal was established.

AGREEMENT TERMS: Upon City Council approval, this agreement shall begin upon execution and expire three years from that date.

ADMINISTRATIVE CHANGE ORDER: An administrative change order or increase may be made by the City Manager up to the amount allowed by relevant law and the Fort Worth City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

A Form 1295 is not required because: This contract will be with a publicly-traded business entity or a wholly-owned subsidiary of a publicly-traded business entity: Caterpillar Inc.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Water & Sewer Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the W&S Capital Projects Fund for the FY24 Non-Fleet Eqmt project to support the above recommendations and award of the contract. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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