

**OAK RIDGE CITY COUNCIL
SPECIAL MEETING**
Multipurpose Room, Central Services Complex

April 21, 2015—7:00 p.m.

AGENDA

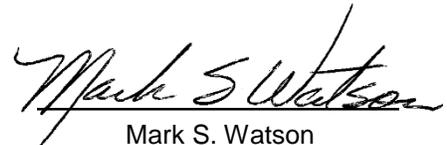
- I. ROLL CALL
- II. RESOLUTIONS
 - a. A RESOLUTION WAIVING COMPETITIVE BIDS AND MAKING AN AWARD TO SUTPHEN CORPORATION FOR REPAIRS TO THE STRUCTURAL COMPONENTS OF THE LADDER AND STABILIZATION SYSTEM FOR THE FIRE DEPARTMENT'S TOWER TRUCK 10 IN AN AMOUNT NOT TO EXCEED \$38,000.00.
 - b. A RESOLUTION TO APPROVE AN AGREEMENT WITH THE TENNESSEE VALLEY AUTHORITY TO ADD A NEW DEPOSIT PROGRAM TITLED "DEPOSIT ASSURANCE PROGRAM" (DAP) THAT WOULD ALLOW THE CITY TO OFFER THE DEPOSIT ASSURANCE PROGRAM TO SPECIFIC CUSTOMERS IN ORDER TO REDUCE THE IMPACT OF THEIR DEPOSIT REQUIREMENT.
- III. ADJOURNMENT

ADMINISTRATIVE MEMORANDUM
15-01

DATE: April 16, 2015
TO: Diana R. Stanley, City Clerk
FROM: Mark S. Watson, City Manager
SUBJECT: SPECIAL MEETING OF CITY COUNCIL

In accordance with Article II, Section 2, of the Charter of the City of Oak Ridge, Tennessee, a special meeting of City Council is hereby called for Tuesday, April 21, 2015, at 7:00 p.m. in the Multipurpose Room of the Central Services Complex, 100 Woodbury Lane, for the following:

- a. A RESOLUTION WAIVING COMPETITIVE BIDS AND MAKING AN AWARD TO SUTPHEN CORPORATION FOR REPAIRS TO THE STRUCTURAL COMPONENTS OF THE LADDER AND STABILIZATION SYSTEM FOR THE FIRE DEPARTMENT'S TOWER TRUCK 10 IN AN AMOUNT NOT TO EXCEED \$38,000.00.
- b. A RESOLUTION TO APPROVE AN AGREEMENT WITH THE TENNESSEE VALLEY AUTHORITY TO ADD A NEW DEPOSIT PROGRAM TITLED "DEPOSIT ASSURANCE PROGRAM" (DAP) THAT WOULD ALLOW THE CITY TO OFFER THE DEPOSIT ASSURANCE PROGRAM TO SPECIFIC CUSTOMERS IN ORDER TO REDUCE THE IMPACT OF THEIR DEPOSIT REQUIREMENT.


Mark S. Watson

FIRE DEPARTMENT MEMORANDUM

HQ-15-05

DATE: April 9, 2015
TO: Mark S. Watson, City Manager
FROM: Darryl Kerley, Fire Chief
SUBJECT: REPAIRS TO THE FIRE DEPARTMENT'S TOWER TRUCK 10

Introduction

An item for City Council's consideration is a resolution waiving competitive bids and making an award to Sutphen Corporation in an amount not to exceed of \$38,000.00 for repairs to the structural components of the ladder and stabilization system on Tower 10.

Funding

Funds are available through the Department of Energy (DOE) West End Fire Fund to accomplish this task.

Review

During the FY2014 inspection and test of the ladder system on Tower 10, America Testing, a third party company who performs the Fire Department's annual testing, documented several items which needed to be repaired on the ladder. The ladder truck was scheduled to go to the Sutphen factory in January of 2015 for upgrades, so the repairs were delayed until the vehicle could be taken to the Sutphen plant.

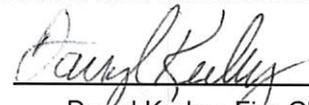
Earlier this month, the Sutphen Company identified, upon inspection of the ladder and hydraulic stabilization system, additional repairs that need to be addressed before the Tower Truck is placed back into service.

The Sutphen Corporation is the original manufacture of the tower truck and is best suited to make engineering modifications and significant safety repairs to the vehicle; therefore, the Fire Department requested Sutphen to provide an estimate of the needed repairs. Sutphen has provided the cost to make the repairs at \$33,509.10. The Fire Department is requesting \$38,000.00 because there is a possibility of additional parts being required to repair air leaks. This determination, however, cannot be made until testing is performed as part of Sutphen performing the repair work. Total repairs from Sutphen will not exceed \$38,000.00.

The repairs will begin immediately with council approval and take approximately 4 weeks to complete at which time the Tower Truck will be back in service for the City of Oak Ridge. The Oak Ridge Fire Department has developed a plan with the City of Knoxville, City of Clinton, and Y-12 Fire Department in the event that a Tower Truck is needed during an emergency.

Recommendation

Staff recommends approval of the attached resolution to waive competitive bids and award to Sutphen Corporation approval to the necessary repairs as outlined above. It is important to note that a unanimous vote of City Council is required to approve the bid waiving.



Darryl Kerley, Fire Chief

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.


Mark S. Watson
Date

RESOLUTION

A RESOLUTION WAIVING COMPETITIVE BIDS AND MAKING AN AWARD TO SUTPHEN CORPORATION FOR REPAIRS TO THE STRUCTURAL COMPONENTS OF THE LADDER AND STABILIZATION SYSTEM FOR THE FIRE DEPARTMENT'S TOWER TRUCK 10 IN AN AMOUNT NOT TO EXCEED \$38,000.00.

WHEREAS, during the FY2014 inspection and test of the ladder system on Tower Truck 10, America Testing, a third party company who performs the Fire Department's annual testing, documented several items that needed to be repaired on the ladder; and

WHEREAS, the ladder truck was scheduled to go to the Sutphen factory in January 2015 for upgrades; and

WHEREAS, upon further inspection of the ladder and hydraulic stabilization system, additional repair needs were identified; and

WHEREAS, Sutphen Corporation is the original manufacturer of Tower Truck 10 and is best suited to make any modifications to the vehicle; and

WHEREAS, Sutphen has provided an estimate of \$33,509.10 for the equipment repairs and upgrades; and

WHEREAS, the Fire Department is requesting Council approve an award not to exceed \$38,000.00 because of the possibility of additional parts being required to repair air leaks which cannot be determined until testing is performed as part of Sutphen performing the repair work; and

WHEREAS, the City Manager recommends that competitive bids be waived and award be made to Sutphen Corporation for equipment upgrades to Tower Truck 10.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager that competitive bids be waived is approved and award is hereby made to Sutphen Corporation, P.O. Box 158, Amlin, Ohio 43002, for the furnishing of equipment upgrades for Tower Truck 10, in an amount not to exceed \$38,000.00.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute the necessary legal instruments to accomplish the same.

This the 21th day of April 2015.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Diana R. Stanley, City Clerk

ELECTRIC DEPARTMENT MEMORANDUM

15-10

DATE: April 15, 2015
TO: Mark S. Watson, City Manager
FROM: Jack L. Suggs, Electric Director
SUBJECT: APPROVAL OF TVA DEPOSIT ASSURANCE PROGRAM

Introduction

An item for City Council's consideration is a resolution approving a contract number TV-54097A, Supp. No. 97 titled the Deposit Assurance Program (DAP) between the City of Oak Ridge and the Tennessee Valley Authority. The contract allows the City to offer the DAP to specific customers in order to reduce their deposit requirements.

Funding

There is no significant funding impact to the City.

Consideration

Commercial and industrial customers are required to pay a deposit in order to obtain utility service. The amount of this deposit is calculated at two month's average electric bill. The deposit is necessary to protect the citizens of Oak Ridge against customers who might default on their utility obligations.

TVA introduced a program termed the Deposit Assurance Program, or DAP, to help reduce the impact of deposit requirements on larger commercial and industrial customers. Under the program, TVA, through a third party, provides insurance that covers the utility losses in case of default and thus eliminates the requirement for a deposit for a period of five years.

After five years the program terminates for all but the largest customers. Those with over 5MW of load can continue to obtain coverage, but a contribution must be made toward the cost of the insurance by either the distributor or the company themselves. The customers who have less than 5MW of load must produce a deposit prior to the end of the program in order to continue to receive service.

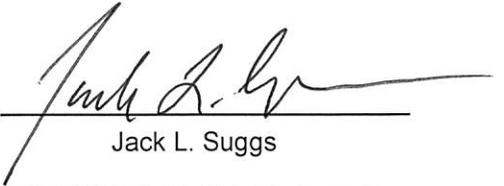
Qualifying customers must meet certain requirements. These include an electric load of at least 250 kW and employment of 25 employees. Credit worthiness standards as determined by the insurer must also be met.

Staff believes that the contract will provide a valuable tool in both protecting our utility customers from unsecured debt as well as offering a service to our new larger commercial and industrial customers.

Recommendation

Staff recommends approval of the attached resolution.

Attachment(s)



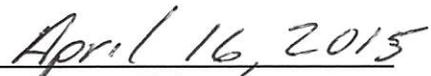
Jack L. Suggs

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.



Mark S. Watson



Date

RESOLUTION

A RESOLUTION TO APPROVE AN AGREEMENT WITH THE TENNESSEE VALLEY AUTHORITY TO ADD A NEW DEPOSIT PROGRAM TITLED "DEPOSIT ASSURANCE PROGRAM" (DAP) THAT WOULD ALLOW THE CITY TO OFFER THE DEPOSIT ASSURANCE PROGRAM TO SPECIFIC CUSTOMERS IN ORDER TO REDUCE THE IMPACT OF THEIR DEPOSIT REQUIREMENT.

WHEREAS, the City of Oak Ridge is a distributor of electric power purchased from the Tennessee Valley Authority (TVA) under an agreement known as the Power Contract (TV-54097A); and

WHEREAS, commercial and industrial customers currently are required to pay a deposit in order to obtain utility service; and

WHEREAS, deposits for commercial and industrial customers are calculated based on a two-month average bill; and

WHEREAS, TVA has introduced a program titled the "Deposit Assurance Program" (DAP) to help reduce the impact of deposit requirements for qualified customers; and

WHEREAS, under the program, TVA, through a third party, provides insurance that covers the utility losses in case of default which eliminates the requirement for a utility deposit for a period of five years; and

WHEREAS, after five years participation, the program terminates; however, coverage is still available to those who use over 5 MW load with certain conditions; and

WHEREAS, the City Manager recommends approval of the agreement allowing the City to offer the Deposit Assurance Program for said customers.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and the City is hereby authorized to enter into an agreement with the Tennessee Valley Authority allowing the City to offer the Deposit Assurance Program to qualified customers.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute the appropriate legal instruments to accomplish the same.

This the 21st day of April 2015

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Diana R. Stanley, City Clerk