



Legislation Text

File #: 090386., **Version:** 0

Sale of Kelly Plant Surplus Steam Turbine Generator Number 5 and its Associated Equipment (NB)

Staff recommends approval of the sale of one steam turbine generator and its associated equipment located at J.R. Kelly Generating Station.

The J. R. Kelly Generating Station has steam generating units that have been long retired from service, are no longer part of the GRU generating portfolio and the assets have been removed from the Utility registry of property units. The subject generator and its associated equipment have no other residual value to the organization other than what it could be sold for as scrap or to another entity for its use.

In an effort to recover as much of the investment as possible staff recommends the sale of the subject generator and its associated equipment to another entity rather than dismantling and selling it for scrap.

Staff typically solicits bids for the sale of surplus goods, then requests City Commission approval for the sale with the list of bidders and their bid prices. However, due to the uniqueness of this equipment being sold and the likelihood that the buyer will have time considerations for completing the sale of the equipment, staff is requesting authorization in advance for the sale to the highest bidder(s). The bid will be issued by GRU Purchasing following City policy and procedures for surplus sales.

The City Commission: 1) declare the subject City-owned generator and its associated equipment located at J.R. Kelly Generating Station as surplus; and 2) authorize the General Manager, or his designee, to negotiate and execute a contract for the sale of the generator, subject to approval by the City Attorney as to form and legality.

The sale of the generator and associated equipment will allow for recovery of funds for the items designated as surplus. GRU anticipates a minimum return of \$75,000.

Prepared by John W. Stanton, AGM for Energy Supply
Submitted by Robert E. Hunzinger, General Manager