



City of Grand Island

Tuesday, July 26, 2016

Council Session

Item G-5

#2016-174 - Approving Bid Award for the Sale of Fly Ash from the Platte Generating Station

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Tim Luchsinger, Utilities Director
Stacy Nonhof, Assistant City Attorney

Meeting: July 26, 2016

Subject: Platte Generating Station Fly Ash Purchase

Presenter(s): Tim Luchsinger, Utilities Director

Background

As part of the combustion process of the coal in the boiler at the Platte Generating Station, ash is entrained in the exhaust gas. This ash, referred to as fly ash, is removed by an electrostatic precipitator before the gas enters the chimney. It is conveyed from the precipitator to a storage silo. The ash must then be disposed in on-site landfill areas or used for off-site applications such as an additive for concrete or asphalt, or soil stabilization. Almost all of the ash is of a quality usable for these off-site uses and has been sold to contractors since shortly after plant start-up. The contractor is responsible for removal of the ash to ensure that the operation of the plant is not impacted.

Discussion

The specifications for the Platte Generating Station Fly Ash Purchase were prepared and issued for bid in accordance with City purchasing procedures. This five year contract is based on a “take all” basis during each calendar year with a price per ton paid to the City. Responses were received from the following bidders.

Bidder	Bid Price
Nebraska Ash, Lincoln, NE	\$ 16.50 per ton
WC Enterprises, Hastings, NE	\$ 12.39 per ton

The specifications include a provision requiring the contractor to remove all ash produced at the plant. That has been a standard provision in the Ash Contract for over fifteen years.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council award the bid to Nebraska Ash of Lincoln, Nebraska, as the high responsive bidder, with the bid purchase price of \$16.50 per ton.

Sample Motion

Move to approve the bid of \$16.50 per ton from Nebraska Ash for the Platte Generating Station Fly Ash Purchase.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: July 7, 2016 at 2:00 p.m.
FOR: Platte Generating Station Fly Ash Purchase 2016-2021
DEPARTMENT: Utilities
ESTIMATE: N/A
FUND/ACCOUNT: 520
PUBLICATION DATE: June 14, 2016
NO. POTENTIAL BIDDERS: 7

SUMMARY

Bidder:	<u>Nebraska Ash</u> Lincoln, NE	<u>WC Enterprises</u> Hastings, NE
Exceptions:	None	None
Bid Price:	\$16.50	\$12.39

cc: Tim Luchsinger, Utilities Director
Marlan Ferguson, City Administrator
Stacy Nonhof, Purchasing Agent

Pat Gericke, Utilities Admin. Assist.
Rena Griffiths, Finance Director
Lynn Mayhew, PGS

P1892

SECTION D

CONTRACT

DK

THIS AGREEMENT, made and entered into this 9th day of August, 2016, by and between the CITY OF GRAND ISLAND, NEBRASKA a municipal corporation under the laws of the State of Nebraska acting through their Council and hereinafter termed the "City" and Nebraska Ash Company of Lincoln, in the State of Nebraska, hereinafter termed the "Contractor,"

WITNESSETH:

THAT WHEREAS: The City has caused to be prepared specifications and other Contract Documents for the work herein described, and has approved and adopted said Contract Documents and has caused to be published an advertisement inviting sealed proposals for:

Platte Generating Station Fly Ash Purchase

Specified herein, in accordance with the terms of the Contract; and

WHEREAS, the said Contractor, in response to such advertisement, has submitted to the City, in the manner and at the time specified, a sealed Proposal in accordance with the terms of said advertisement; and

WHEREAS, the City has publicly opened, examined, and canvassed the Proposals submitted in response to the published invitation therefor and, as a result of said canvass has determined and declared the aforesaid Contractor to be the lowest and/or best bidder for:

Platte Generating Station Fly Ash Purchase

and has duly awarded to the said Contractor a contract therefor, as stated more in detail in the Contract Documents, to wit: Advertisement to Bidders, Instructions to Bidders, Bid, Contract Detailed Specifications, and Contract Agreement all of which documents are attached hereto and made a part of this Contract, for the prices and amounts hereinafter set forth.

NOW THEREFORE: In consideration of the compensation to be paid to the City by the Contractor, and of the mutual agreements herein contained, the Parties of these presents have agreed and hereby agree, the City for itself and its successors and the Contractor for itself, himself, or themselves, or its, his or their successors and assigns, or its, his or their executors and administrators as follows:

ARTICLE I: That the Contractor shall (a) furnish all tools, equipment, supplies, superintendence, transportation, and other accessories, services and facilities; (b) furnish all materials, supplies and equipment specified; (c) provide and perform all necessary labor; and (d) in good substantial and workmanlike manner and in accordance with the provisions of this Contract Document, execute and complete all work included in and covered by the City's official award of this Contract to the said Contractor, such award being based on the acceptance by the City of Items and subitems of the bid as follows:

ARTICLE II: That the Contractor shall pay to the City for fly ash, and the City will accept as full compensation therefor, the sum of:

Sixteen dollars and 50 cents per ton (\$16.50 per ton)

payment thereof to be made in the manner provided in the Contract Specifications.

ARTICLE III: Any and all suits for any and every breach of this Contract may be instituted and maintained in any court of competent jurisdiction in the County of Hall, State of Nebraska.

Any action at law, suit in equity or judicial proceedings for the enforcement of this Contract or any provision thereof shall be instituted only in the courts of the State of Nebraska.

It is mutually understood and agreed that this Contract shall be governed by the laws of the State of Nebraska, both as to interpretation and performance.

IN WITNESS WHEREOF: The Parties of the First and Second Parts have hereto set their hands and seals on the day and year above written.

CITY OF GRAND ISLAND, NEBRASKA
Party of the First Part

Approved as to form:

By _____

Title _____

Stacy R. Nonhof,
Assistant City Attorney

ATTEST:

City Clerk

CONTRACTOR
Party of the Second Part

Nebraska Ash Company

By Dale Helby

Title President

ATTEST:

Title _____

RESOLUTION 2016-174

WHEREAS, the City of Grand Island invited sealed bids for Fly Ash Purchase 2016 – 2021, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on July 7, 2016, bids were received, opened and reviewed; and

WHEREAS, Nebraska Ash of Lincoln, Nebraska, submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, such bid being in the amount of \$16.50 per ton; and

WHEREAS, the bid of Nebraska Ash is compliant and contained no exceptions.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Nebraska Ash, in the amount of \$16.50, for the purchase of fly ash from the Platte Generating Station, is hereby approved as the lowest responsible bid, and the Mayor is authorized to sign the contract on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 26, 2016 .

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☒ _____
July 22, 2016	☒ City Attorney