



# City of Grand Island

Tuesday, November 22, 2016

Council Session

## Item G-7

**#2016-289 - Approving Auxiliary Boiler Rental at Platte  
Generating Station**

Staff Contact: Tim Luchsinger, Stacy Nonhof

# Council Agenda Memo

**From:** Timothy G. Luchsinger, Utilities Director  
Stacy Nonhof, Assistant City Attorney

**Meeting Date:** November 22, 2016

**Subject:** Auxiliary Boiler Rental

**Presenter(s):** Timothy G. Luchsinger, Utilities Director

## Background

The Cleaver Brooks auxiliary boiler at the Platte Generating Station was installed during the original construction of the plant to provide building heat. Since the plant went into service in 1982, it has continued to serve as an emergency backup for building heat in the event of freezing conditions occurring when the main boiler is offline. The auxiliary boiler has developed numerous tube leaks and leaking tube joints at the steam drum, requiring extensive repairs.

While the plant's auxiliary boiler is out of service for repairs, a rental boiler is needed to protect the station in the event of an outage on the main boiler during the upcoming winter. Plant staff developed a specification for a three month rental period as a basis of bidding, along with a monthly rental cost in the event the unit is needed for a longer period of time.

## Discussion

Specifications for the Auxiliary Boiler Rental were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on November 8, 2016. The engineer's estimate for a three month rental period for this project was \$100,000.00.

Bidder	Base Bid	Addendum Piping	Adjusted Bid Price	Monthly Rental
Rasmussen Mechanical Services Council Bluffs, IA	\$69,180.00	\$46,748.00	\$115,928.00	\$22,500.00
Associated Mechanical Olathe, KS	\$94,300.00	\$94,447.00	\$191,747.00	\$22,500.00
Cleaver Brooks Sales & Service West Des Moines IA	\$98,661.00	\$53,552.00	\$152,213.00	\$25,647.00

Bids were reviewed by plant engineering staff and the low bidder for the base three month rental, Rasmussen Mechanical Services, was found to be acceptable. During the bid process, it was also determined that additional piping required to interconnect the boiler to the plant services was more extensive than plant personnel could achieve in a timely manner. Therefore, an addendum was issued requesting the bidder also provide the installation of the piping systems. Rasmussen Mechanical Services bid on the pipe work is also the low bid and also has been found to be acceptable.

Although the additional pipe work increased the bids beyond the original scope and original engineer's estimate, budget dollars are available within the plant operating budget to pay for the project. With winter approaching, time is of the essence in getting the rental boiler installed. Department staff recommends proceeding with Rasmussen Mechanical Services to execute the project at the adjusted bid of \$115,928.00, with any extended rental required at \$22,500.00 per month.

### **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 Council award the Contract for the Auxiliary Boiler Rental to Rasmussen Mechanical Services of Council Bluffs, Iowa, as the low responsive bidder, with the adjusted bid in the amount of \$115,928.00.

### **Sample Motion**

Move to approve the adjusted bid in the amount of \$115,928.00 from Rasmussen Mechanical Services for the Auxiliary Boiler Rental.



Stacy Nonhof, Purchasing Agent

*Working Together for a  
Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** November 8, 2016 at 2:00 p.m.  
**FOR:** Auxiliary Boiler Rental  
**DEPARTMENT:** Utilities  
**ESTIMATE:** \$100,000.00  
**FUND/ACCOUNT:** 520  
**PUBLICATION DATE:** October 29, 2016  
**NO. POTENTIAL BIDDERS:** 4

**SUMMARY**

<b>Bidder:</b>	<u>Associated Mechanical</u> Olathe, KS	<u>Cleaver Brooks Sales &amp; Service</u> West Des Moines, IA
<b>Bid Security:</b>	Mid-Continent Casualty Co.	Cashier's Check
<b>Exceptions:</b>	None	Noted
<b>Bid Price:</b>		
<b>Base Bid:</b>	\$ 78,300.00	\$95,061.00
<b>Piping:</b>	\$ 97,447.00	\$53,552.00
<b>2 Days Startup:</b>	\$ 3,700.00	\$ 3,600.00
	\$ 3,900.00 Bond	
<b>Sales Tax:</b>	<u>\$ 8,400.00</u>	<u>N/A</u>
<b>Total Base Bid:</b>	\$191,747.00	152,213.00
<b>Rental:</b>	\$22,500.00	\$25,647.00

**Bidder:** Rasmussen Mechanical Services  
Council Bluffs, IA  
**Bid Security:** Merchants Bonding Co.  
**Exceptions:** Noted

**Bid Price:**  
**Base Bid:** \$67,500.00  
**Piping:** \$46,748.00  
**2 Days Startup:** \$ 1,680.00  
**Sales Tax:** N/A  
**Total Base Bid:** \$115,928.00

**Rental:** \$22,500.00

cc: Tim Luchsinger, Utilities Director  
Marlan Ferguson, City Administrator  
Stacy Nonhof, Purchasing Agent  
Darrell Dorsey, PGS Plant Supt.

Pat Gericke, Utilities Admin. Assist.  
Renae Griffiths, Finance Director  
Karen Nagel, Utilities Secretary

**P1914**

RESOLUTION 2016-289

WHEREAS, the City of Grand Island invited sealed bids for Auxiliary Boiler Rental at Platte Generating Station according to plans and specifications on file with the Utilities Department; and

and WHEREAS, on November 8, 2016, bids were received, opened and reviewed;

WHEREAS, Rasmussen Mechanical Services of Council Bluffs, Iowa, 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 \$115,928.00, and a possible monthly rental price of \$22,500.00; and

WHEREAS, the bid of Rasmussen Mechanical Services is the lowest responsive bid and time is of the essence with winter approaching, it is recommended that the bid for Auxiliary Boiler Rental at Platte Generating Station be accepted.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Rasmussen Mechanical Services, in the amount of \$115,928.00 and a possible monthly rental price of \$22,500.00, for Auxiliary Boiler Rental, is hereby approved as the lowest responsible bid.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, November 22, 2016.

\_\_\_\_\_  
Jeremy L. Jensen, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form    ✕ \_\_\_\_\_  
November 18, 2016      ✕ City Attorney