



City of Grand Island

Tuesday, December 13, 2016

Council Session

Item G-4

**#2016-295 - Approving Bid Award - Auxiliary Boiler Re-Tube 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: December 13, 2016

Subject: Auxiliary Boiler Re-tube at Platte Generating Station

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 consisting of replacing the boiler tubes, casing, insulation and refractory.

Plant engineering staff developed specifications detailing the repair requirements as a basis of bidding. Included in the specification was a request for an optional bid for an accelerated overtime schedule that would minimize the downtime on the unit.

Discussion

Specifications for the Auxiliary Boiler Re-tube were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on November 22, 2016. The engineer's estimate for this project was \$700,000.00.

Bidder	Base Bid Price
Rasmussen Mechanical Services, Inc., Council Bluffs, IA	\$ 278,522.00
American Boiler & Mechanical, St. Louis, MO	\$ 400,912.95
Associated Mechanical Inc., Olathe, KS	\$ 426,600.00
Fusion Boiler Works, Inc., Omaha, NE	\$ 429,210.00
Hayes Mechanical LLC, Omaha, NE	\$ 567,500.00
Strobel Energy Group, Clarks, NE	\$ 686,240.00
PIC Group, Inc., Atlanta, GA	\$ 721,176.00

Bids were reviewed by plant engineering staff. The low bid from Rasmussen Mechanical Services is compliant with specifications and less than the engineer's estimate. Rasmussen Mechanical also submitted optional bids for the requested accelerated execution schedule and combustion tuning at a cost of \$29,987.00 and \$1,800.00 respectively. Their total bid of \$310,309.00 remains the lowest and best bid.

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 approve the bid for the Auxiliary Boiler Re-tube to Rasmussen Mechanical Services, Inc., of Council Bluffs, Iowa, in the amount of \$310,309.00.

Sample Motion

Move to approve the bid in the amount of \$310,309.00, from Rasmussen Mechanical Services, Inc., of Council Bluffs, Iowa for the Auxiliary Boiler Re-tube.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: November 22, 2016 at 2:00 p.m.
FOR: Auxiliary Boiler Re-tube
DEPARTMENT: Utilities
ESTIMATE: \$700,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: November 3, 2016
NO. POTENTIAL BIDDERS: 4

SUMMARY

Bidder:	<u>Associated Mechanical Inc.</u> Olathe, KS	<u>PIC Group, Inc.</u> Atlanta, GA
Bid Security:	Mid-Continent Casualty Co.	Arch Insurance Co.
Exceptions:	Noted	Noted

Bid Price:		
Material:	\$ 96,500.00	\$443,196.00
Labor:	\$323,818.00	\$257,584.00
Sales Tax:	\$ 6,282.00	\$ 20,396.00
Total Base Bid:	\$426,600.00	\$721,176.00

Bidder:	<u>Fusion Boiler Works, Inc.</u> Omaha, NE	<u>Rasmussen Mechanical Services, Inc.</u> Council Bluffs, IA
Bid Security:	Old Republic Surety Co.	Merchants Bonding Co.
Exceptions:	Noted	Noted

Bid Price:		
Material:	\$185,250.00	\$ 96,851.59
Labor:	\$228,000.00	\$181,670.41
Sales Tax:	\$ 15,960.00	---
Total Base Bid:	\$429,210.00	\$278,522.00

Bidder:	<u>American Boiler & Mechanical</u> St. Louis, MO	<u>Strobel Energy Group</u> Clarks, NE
Bid Security:	Fidelity & Deposit Co.	Western Surety Co.
Exceptions:	Noted	Noted
Bid Price:		
Material:	\$215,735.00	\$200,197.00
Labor:	\$158,950.00	\$472,029.00
Sales Tax:	\$ 26,227.95	\$ 14,014.00
Total Base Bid:	\$400,912.95	\$686,240.00

Bidder:	<u>Hayes Mechanical LLC</u> Omaha, NE
Bid Security:	Great American Ins. Co.
Exceptions:	Noted
Bid Price:	
Material:	\$181,240.00
Labor:	\$373,090.00
Sales Tax:	\$ 14,170.00
Total Base Bid:	\$567,500.00

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

P1916

RESOLUTION 2016-295

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

WHEREAS, on November 22, 2016, bids were received, opened and reviewed; and

WHEREAS, Rasmussen Mechanical Services, Inc., 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 \$310,309.00; and

WHEREAS, the bid of Rasmussen Mechanical Services, Inc., is less than the estimate for Auxiliary Boiler Re-tube.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Rasmussen Mechanical Services, Inc., in the amount of \$310,309.00, for Auxiliary Boiler Re-tube, is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, December 13, 2016.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☒ _____
December 9, 2016	☒ City Attorney