



City of Grand Island

Tuesday, December 13, 2016

Council Session

Item G-5

#2016-296 - Approving Bid Award - Gas Turbine #3 Bearing Replacement

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: Gas Turbine #3 Bearing Replacement at Burdick
Generating Station

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

Background

Gas Turbine #3 is located at the Burdick Generating Station. The unit was commissioned in 2003 and is used for electrical power generation, primarily operating as a peaking unit for the City. The operating data of September 19, 2016 indicated the #3 bearing was in the early stages of failure. Subsequent testing confirmed the failure of the bearing.

Discussion

Specifications for the Gas Turbine #3 Bearing Replacement 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 \$140,000.00.

Bidder	Bid Price
S.T. Cotter Turbine Services, Inc., Clearwater Minnesota	\$48,144.99
General Electric International, Inc., Omaha, Nebraska	\$87,848.07

Bids were reviewed by plant engineering staff. The bid from S.T. Cotter Turbine Services, Inc., does not meet the specification requirements, as they do not meet the previous experience required in the specification. The bid from General Electric International, Inc. is compliant with specifications and less than the engineer's estimate.

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 Gas Turbine #3 Bearing Replacement to General Electric International, Inc., of Omaha, Nebraska, as the low responsive bidder, with the bid in the amount of \$87,848.07.

Sample Motion

Move to approve the bid in the amount of \$87,848.07 from General Electric International, Inc., of Omaha, Nebraska for the Gas Turbine #3 Bearing Replacement at the Burdick Generating Station.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: November 22, 2016 at 2:15 p.m.
FOR: Gas Turbine #3 Bearing Replacement
DEPARTMENT: Utilities
ESTIMATE: \$140,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: November 5, 2016
NO. POTENTIAL BIDDERS: 1

SUMMARY

Bidder:	<u>General Electric International, Inc.</u> Omaha, NE	<u>S.T. Cotter Turbine Services, Inc.</u> Clearwater, MN
Bid Security:	Electric Insurance Co.	Guarantee Co.
Exceptions:	Noted	Noted
Bid Price:		
Material:	N/A	N/A
Labor:	\$82,101.00	\$44,995.32
Sales Tax:	<u>\$ 5,747.07</u>	<u>\$ 3,149.67</u>
Total Bid:	<u>\$87,848.07</u>	<u>\$48,144.99</u>

cc: Tim Luchsinger, Utilities Director
Marlan Ferguson, City Administrator
Stacy Nonhof, Purchasing Agent
Larry Keown, Burdick Plant Supt.

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

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RESOLUTION 2016-296

WHEREAS, the City of Grand Island invited sealed bids for Gas Turbine #3 Bearing Replacement 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, General Electric International, Inc., of Omaha, 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 \$87,848.07; and

WHEREAS, the bid of General Electric International, Inc., less than the estimate for Gas Turbine #3 Bearing Replacement.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of General Electric International, Inc., in the amount of \$87,848.07 for Gas Turbine #3 Bearing Replacement at the Burdick Generating Station, is hereby approved as the lowest responsible bid, and the Mayor is hereby 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, December 13, 2016.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

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