



City of Grand Island

Tuesday, July 11, 2017

Council Session

Item G-5

#2017-194 - Approving Bid Award - Spray Dry Absorber - Interior Protective Coating

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting Date: July 11, 2017

Subject: Spray Dry Absorber - Interior Protective Coating

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

Background

The Spray Dry Absorber (SDA) at the Platte Generating Station is used to remove the acid gasses from the flue gas to meet environmental requirements. Ultrasonic thickness testing has shown the bare steel walls of the SDA vessel are experiencing severe corrosion and wall loss. Some utilities have seen this problem migrate to the point of vessel collapse. Other utilities are now applying coating systems to mitigate the corrosion. This project is for the installation of a coating system on the interior Platte Generating Station SDA Vessel.

Every five years, an extended outage is conducted at Platte Generating Station to perform a major overhaul of the turbine generator. The fall of 2017 outage is currently scheduled for September 14 through October 31, 2017, during which time the interior of the Spray Dry Absorber will be cleaned, vessel welds repaired and a protective coating applied. Plant engineering staff developed the detailed specifications issued for bids covering this scope of work.

Discussion

The specification for the Spray Dry Absorber Interior Protective Coating was advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on June 8, 2017. The engineer's estimate for this project was \$1.3 million.

Bidder	Base Bid Price	2,000 Manhours Weld Repairs	Total Bid Price
Allen Blasting & Coating Weaver, Iowa	\$393,687.00	\$347,512.00	\$741,199.00
Industrial Services Group Sumter, South Carolina	\$559,148.00	\$265,000.00	\$824,148.00
Integrated Global Services Richmond, Virginia	\$607,913.43	*\$ 52,760.00	\$660,673.43
W.S. Bunch Omaha, Nebraska	\$668,650.00	\$321,706.00	\$990,356.00

Bidder	Base Bid Price	2,000 Manhours Weld Repairs	Total Bid Price
Hartman Walsh Ind. Services St. Louis, Missouri	\$724,975.00	\$267,338.00	\$992,313.00
McGill Restoration Omaha, Nebraska	\$899,790.00	\$222,216.00	\$1,122,006.00
GE Power Windsor, Connecticut	\$1,504,100.00	\$180,000.00	\$1,684,100.00

All proposals were reviewed by the engineering staff.

The two lowest bidders did not comply with the requirements of the bid documents and specifications. *Integrated Global did not provide the required firm bid for 2,000 man hours of weld repair, provided unacceptable alternatives and does not meet the experience requirements. Allen Blasting failed to provide the required bid submittals and did not submit a welding bid from an acceptable welding subcontractor.

Industrial Services Group has no exceptions and is compliant with the specifications and has extensive experience applying the specialized coating systems on SDAs.

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 Spray Dry Absorber-Interior Protective Coating to Industrial Services Group, as the low responsive bidder, with the bid in the amount of \$824,148.00.

Sample Motion

Move to approve the bid of \$824,148.00 from Industrial Services Group for the Spray Dry Absorber-Interior Protective Coating at Platte Generating Station.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: June 8, 2017 at 2:00 p.m.
FOR: Spray Dry Absorber – Interior Protective Coating
DEPARTMENT: Utilities
ESTIMATE: \$1,300,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: May 25, 2017
NO. POTENTIAL BIDDERS: 16

SUMMARY

Bidder:	<u>Integrated Global Services</u> Richmond, VA	<u>Allen Blasting and Coating</u> Wever, IA
Bid Security:	Atlantic Specialty Ins. Co.	United Fire & Casualty Co.
Exceptions:	Noted	None
Bid Price:		
Material:	\$149,677.50	\$126,452.00
Labor:	\$447,972.50	\$258,400.00
Sales Tax:	<u>\$ 10,163.43</u>	<u>\$ 8,852.00</u>
Total Bid:	\$607,913.43	\$393,687.00
Additional Man hours of Weld Repairs:	\$ 52,760.00	\$347,512.00

Bidder: Industrial Services Group
Sumter, SC
Bid Security: RLI Insurance Co.
Exceptions: Noted

Bid Price:

Material: \$429,048.00
Labor: \$126,053.00
Sales Tax: \$ 4,047.00
Total Bid: \$559,148.00

Additional Man hours

of Weld Repairs: \$265,000.00

Hartman Walsh Industrial Services
St. Louis, MO
Travelers Casualty & Surety Co.
Noted

\$470,900.00
\$248,500.00
\$ 5,575.00
\$724,975.00

\$267,338.00

Bidder: W.S. Bunch
Omaha, NE
Bid Security: United Fire & Casualty Co.
Exceptions: None

Bid Price:

Material: \$101,500.00
Labor: \$530,150.00
Sales Tax: \$ 37,000.00
Total Bid: \$668,650.00

Additional Man hours

of Weld Repairs: \$321,706.00

GE Power
Windsor, CT
Fidelity & Deposit Co.
Noted

\$ 446,510.00
\$1,057,590.00
City to add 7% sales tax as estimate
\$1,504,100.00

\$180,000.00

Bidder: McGill Restoration
Omaha, NE
Bid Security: Universal Surety Co.
Exceptions: Noted

Bid Price:

Material: \$207,000.00
Labor: \$678,500.00
Sales Tax: \$ 14,490.00
Total Bid: \$899,790.00

Additional Man hours

of Weld Repairs: \$222,216.00

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

Pat Gericke, Utilities Admin. Assist.
Renae Griffiths, Finance Director
Darrell Dorsey, PGS Plant Supt.

P1972

RESOLUTION 2017-194

WHEREAS, the City of Grand Island invited sealed bids for Spray Dry Absorber – Interior Protective Coating, according to plans and specifications on file with the Utilities Department; and

WHEREAS, May 30, 2017, bids were received, opened and reviewed; and

WHEREAS, Industrial Services Group of Sumter, South Carolina, 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 \$824,148.00; and

WHEREAS, the bid of Industrial Services Group is less than the estimate for Spray Dry Absorber – Interior Protective Coating.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Industrial Services Group, in the amount of \$824,148.00 for Spray Dry Absorber – Interior Protective Coating, is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 11, 2017.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	▣ _____
July 7, 2017	▣ City Attorney