



City of Grand Island

Tuesday, February 27, 2018

Council Session

Item G-6

#2018-51 - Approving Bid Award - GT3 Modified Hot Gas Path Inspection

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting Date: February 27, 2018

Subject: Gas Turbine #3 Modified Hot Gas Path Inspection 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. A Borescope inspection performed in September of 2017 revealed that a compressor blade had come loose. An additional borescope inspection was done to find the liberated blade, but it was not located. Without knowing where the blade is located in the unit, it could move and cause further damage in the unit.

Discussion

Specifications for the Gas Turbine #3 Modified Hot Gas Path Inspection to include repairing the liberated compressor blade were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on February 15, 2018. The engineer's estimate for this project was \$500,000.00.

Bidder	Bid Price
S.T. Cotter Turbine Services, Inc., Clearwater, Minnesota	\$392,586.00
Ethos Energy, LLC, Huston, Texas	\$352,058.82
General Electric International, Inc., Omaha, Nebraska	\$494,261.00

Bids were reviewed by plant engineering staff. The bid from S.T. Cotter Turbine Services, Inc., does not meet the specification requirements. Requirements not met were minimum experience, list of Technical Information Letters (TILs) not provided, no list of spare parts, and quote for 2nd stage buckets. Ethos Energy, LLC, did not meet all of the requirements of the bid specification. Requirements not met by Ethos Energy include, determination of unit configuration, list of TILs not provided, no guarantee of parts number accuracy, proposed division of responsibilities not compliant with the bid

specification. General Electric was compliant with the specification 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 Modified Hot Gas Path Inspection to General Electric International, Inc., of Omaha, Nebraska, as the low responsive bidder, with the bid in the amount of \$494,261.00.

Sample Motion

Move to approve the bid in the amount of \$494,261.00 from General Electric International, Inc., of Omaha, Nebraska for the Gas Turbine #3 Modified Hot Gas Path Inspection at the Burdick Generating Station.



Stacy Nonhof, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: February 15, 2018 at 2:00 p.m.
FOR: Gas Turbine #3 Modified Hot Gas Path Inspection
DEPARTMENT: Utilities
ESTIMATE: \$500,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: February 6, 2018
NO. POTENTIAL BIDDERS: 1

SUMMARY

Bidder:	<u>Ethos Energy, LLC</u> Houston, TX	<u>S.T. Cotter Turbine Services, Inc.</u> Clearwater, MN
Bid Security:	Fidelity & Deposit Co.	The Guarantee Co.
Exceptions:	Noted	Noted

Bid Price:		
Material:	\$ 58,933.48	\$ 18,150.00
Labor:	\$289,000.00	\$374,436.00
Sales Tax:	\$ 4,125.34	<u>N/A</u>
Total Bid:	\$352,058.82	\$392,586.00

Bidder:	<u>GE International, Inc.</u> Greenwood Village, CO
Bid Security:	Berkley Insurance Co.
Exceptions:	Noted

Bid Price:	
Material:	\$211,459.00
Labor:	\$268,000.00
Sales Tax:	<u>\$ 14,802.00</u>
Total Bid:	\$494,261.00

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

Pat Gericke, Utilities Admin. Assist.
William Clingman, Interim Finance Director
Larry Keown, Burdick Plant Supt.

P2038

RESOLUTION 2018-51

WHEREAS, the City of Grand Island invited sealed bids for GT3 Modified Hot Gas Path Inspection according to plans and specifications on file with the Utilities Department; and

WHEREAS, on February 15, 2018, 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 \$494,261.00; and

WHEREAS, the bid of General Electric International, Inc., is less than the estimate for GT3 Modified Hot Gas Path Inspection.

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 \$494,261.00, for GT3 Modified Hot Gas Path Inspection, is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, February 27, 2018.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
February 22, 2018	☐ City Attorney