



City of Grand Island

Tuesday, April 10, 2018

Council Session

Item G-7

**#2018-92 - Approving Bid Award - Platte Generating Station Coal
Crusher Replacement**

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting Date: April 10, 2018

Subject: Coal Crusher Replacement at Platte Generating Station

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

Background

The coal that is delivered from the mine is larger than what can be used in the boiler. The coal crusher reduces the size of the coal before it is sent to the bunkers inside the plant. In the plant, the coal is then passed through pulverizers that reduce the size of the coal further for firing in the boiler. This 30 year old piece of equipment has worn out to the point where it is not cost effective to rebuild it and needs to be replaced.

Discussion

Specifications for the Coal Crusher Replacement were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on March 27, 2018. The engineer's estimate for this project was \$200,000.00.

<u>Bidder</u>	<u>Bid Price</u>
American Pulverizer Company St. Louis, Missouri	\$175,500.00

Staff sent specifications for a replacement crusher to three companies. One that has these crushers declined to bid. Another had a crusher that would work, but determined it was too large to cost effectively get into the crusher building where the machine is located and would require additional expensive coal chute modifications. They therefore declined to bid as well. The third company is the manufacturer of the original crusher and submitted a bid on a new crusher almost identical to the original at an installed cost of \$175,500.00. The American Pulverizer Company's bid was reviewed by plant engineering staff, 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 Coal Crusher Replacement at Platte Generating Station, to American Pulverizer Company of St. Louis, Missouri, as the low responsive bidder, with the bid in the amount of \$175,500.00.

Sample Motion

Move to approve the bid in the amount of \$175,500.00, from American Pulverizer Company for the Coal Crusher Replacement at Platte Generating Station.



Stacy Nonhof, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: March 27, 2018 at 2:00 p.m.
FOR: PGS Coal Crusher Replacement
DEPARTMENT: Utilities
ESTIMATE: \$200,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: March 9, 2018
NO. POTENTIAL BIDDERS: 4

SUMMARY

Bidder: American Pulverizer
St. Louis, MO
Bid Security: Travelers Casualty and Surety Company of America
Exceptions: Noted

Bid Price:
Material: \$125,500.00
Labor: \$ 50,000.00
Sales Tax: N/A
Total: \$175,500.00

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

Pat Gericke, Utilities Admin. Assist.
William Clingman, Interim Finance Director
Darrell Dorsey, PGS Plant Supt.

P2042

RESOLUTION 2018-92

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

WHEREAS, on March 27, 2018, bids were received, opened and reviewed; and

WHEREAS, American Pulverizer Company of St. Louis, Missouri, 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 \$175,500.00; and

WHEREAS, the bid of American Pulverizer Company is less than the estimate for the Replacement of the Coal Crusher at Platte Generating Station.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of American Pulverizer Company in the amount of \$175,500.00 for the Replacement of the Coal Crusher at the Platte Generating Station, is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, April 10, 2018.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☒ _____
April 6, 2018	☒ City Attorney