



City of Grand Island

Tuesday, October 23, 2018

Council Session

Item G-12

#2018-310 - Approving Bid Award - Fuel Oil Pipe and Tank Cleaning

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting Date: October 23, 2018

Subject: Fuel Oil Pipe and Tank Cleaning at Burdick Generating Station

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

Background

The City is preparing to scrap existing #6 Fuel Oil tanks and piping once used for back-up fuel for power generation. The remaining 50,000 gallons of fuel in the #5 tank is to be removed and the piping from the tank yard to the boilers is to be cleaned.

Discussion

The specifications for the Fuel Oil Pipe and Tank Cleaning were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on October 9, 2018, and responses were received as listed below. The engineer's estimate for this project was \$175,000.00.

Bidder	Bid Price
J & L Pipeline Services, Inc. Tipton, Iowa	\$177,551.36*

*The taxes were not calculated correctly, and this amount reflects the corrected calculated taxes.

The bid amount is within 5% of the Engineers estimate, and the only bid submitted.

The bid was reviewed by plant engineering staff for conformance with the specifications, the following was noted:

There will be no charges for transport and disposal of #6 fuel oil. The contractor that J & L Pipeline Services, Inc., received a quote from will not be charging for the transport and disposal in lieu of retainage of product.

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

The Utilities Department recommends that the Council award the Contract for the Fuel Oil Pipe and Tank Cleaning to J & L Pipeline Services, Inc., of Tipton, Iowa, as the only compliant bidder, with the bid in the amount of \$ 177,551.36.

Sample Motion

Move to approve the bid in the amount of \$177,551.36 from J & L Pipeline Services, Inc., for Fuel Oil Pipe and Tank Cleaning at the Burdick Generating Station.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: October 9, 2018 at 2:150 p.m.
FOR: Fuel Oil Pipe and Tank Cleaning
DEPARTMENT: Utilities
ESTIMATE: \$175,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: September 22, 2018
NO. POTENTIAL BIDDERS: 2

SUMMARY

Bidder: J & L Pipeline Services, Inc
Tipton, IA
Bid Security: Cashier's Check
Exceptions: Noted

Bid Price:
Material: \$ 17,353.81
Labor: \$158,982.56
Sales Tax: \$ 11,128.78
Total: \$187,465.15

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

Pat Gericke, Utilities Admin. Assist.
Patrick Brown, Finance Director
Lynn Mayhew, Assist. Utilities Director

P2075

RESOLUTION 2018-310

WHEREAS, the City of Grand Island invited sealed bids for Fuel Oil Pipe and Tank Cleaning, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on October 9, 2018, bids were received, opened and reviewed; and

WHEREAS, J & L Pipeline Services, Inc., of Tipton, 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 \$177,551.36; and

WHEREAS, the bid of J & L Pipeline Services, Inc., within 5% of the Engineer's Estimate, and the sole vendor that submitted a bid for the Fuel Oil Pipe and Tank Cleaning.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of J & L Pipeline Services, Inc., in the amount of \$177,551.36 for Fuel Oil Pipe and Tank Cleaning, is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, October 23, 2018.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
October 18, 2018	☐ City Attorney