



City of Grand Island

Tuesday, February 12, 2019

Council Session

Item G-7

**#2019-47 - Approving Boiler Chemical Cleaning at Platte
Generating Station**

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting Date: February 12, 2019

Subject: Boiler Chemical Cleaning

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

The main boiler at the Platte Generating Station produces 750,000 pounds per hour of steam for production of electricity. Over time, deposits build up on the interior of the boiler tubes. The deposits are made up of iron and copper compounds along with some chemicals from the routine water treatment. The deposits in the PGS boiler have reached a point where they need to be cleaned out to avoid future damage to the boiler. Removal of the deposits requires a chemical cleaning, generally consisting of circulating acids and specialized cleaning chemicals through the boiler.

The next outage is scheduled for March of this year. Specifications were developed by the plant staff and the M&M Engineering, the Chemical Cleaning Consultant hired to help design and specify the specific procedure required and oversee the entire chemical cleaning project.

Discussion

The specifications for the Boiler Chemical Cleaning were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on January 23, 2019. Specifications were sent to four potential bidders and responses were received as listed below. The engineer's estimate for this project was \$300,000.00.

| Bidder | Base Bid Amount | Adjusted Bid Amount |
|---------------------------------------|------------------------|----------------------------|
| RMIS, Denver, Colorado | \$291,466.00 | \$308,968.97 |
| HydroChemPSC, Crossville, Illinois | \$324,227.19 | \$307,346.99 |
| Clean Harbors, Norwell, Massachusetts | \$317,465.45 | \$312,383.12 |

The bids were reviewed by plant management staff and M&M Engineering. Adjustments were made to RMIS for bonding, equipment charges and taxes. Adjustments were made to HydroChemPSC and Clean Harbors for taxes. The tax adjustments were applied uniformly to all bidders based on input from the Utilities Finance Department that only the chemicals used would be taxed for this work.

The bid from HydroChemPSC is the lowest and best bid and is compliant with specifications. HydroChemPSC also includes a greater allowance for the disposal of the waste chemicals beyond that provided by the other bidders, which will potentially result in further savings if not required at the end of the project.

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 the Council approve the bid of HydroChemPSC of Crossville, Illinois as the low responsive bidder, with a bid in the amount of \$307,346.99.

Sample Motion

Move to approve the bid in the amount of \$307,346.99 from HydroChemPSC of Crossville, Illinois for the Boiler Chemical Cleaning.



Stacy Nonhof, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: January 23, 2019 at 2:00 p.m.
FOR: Boiler Chemical Cleaning
DEPARTMENT: Utilities
ESTIMATE: \$300,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: January 12, 2019
NO. POTENTIAL BIDDERS: 4

SUMMARY

| | | |
|----------------------|----------------------------------|--|
| Bidder: | <u>RMIS</u> Denver, CO | <u>Hydrochempsc</u> Crossville, IL |
| Bid Security: | Cashier's Check | Atlantic Specialty Ins. Co. |
| Exceptions: | Noted | Noted |
| Base Bid: | \$195,004.00 | |
| Material: | \$ 56,982.00 | \$ 60,956.00 |
| Labor: | \$ 39,480.00 | \$ 40,960.00 |
| Sales Tax: | <u>NA</u> | <u>\$ 20,897.66</u> |
| Total: | \$291,466.00 | \$324,227.19 |

| | |
|----------------------|--|
| Bidder: | <u>Clean Harbors</u> Norwell, MA |
| Bid Security: | Westchester Fire Ins. Co. |
| Exceptions: | Noted |
| Base Bid: | |
| Material: | \$249,226.40 |
| Labor: | \$ 59,099.80 |
| Sales Tax: | <u>9,139.25</u> |
| Total: | \$317,465.45 |

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

Pat Gericke, Utilities Admin. Assist.
Patrick Brown, Finance Director
Darrell Dorsey, PGS Plant Supt.

P2092

RESOLUTION 2019-47

WHEREAS, the City of Grand Island invited sealed bids for boiler Chemical Cleaning, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on January 23, 2019, bids were received, opened and reviewed; and

WHEREAS, HydroChemPSC, of Crossville, Illinois, 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 \$307,346.99 and

WHEREAS, the bid of HydroChemPSC is the lowest and best bid and is compliant with the specifications for Boiler Chemical Cleaning.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of HydroChemPSC, in the amount of \$307,346.99, for Boiler Chemical 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, February 12, 2019.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

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| Approved as to Form | ☒ _____ |
| February 8, 2019 | ☒ City Attorney |