



City of Grand Island

Tuesday, July 9, 2019
Council Session/Budget Work Session

Item G-3

#2019-203 - Approving Bid Award - Coal Silo Inspection and NDE Services 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: July 9, 2019

Subject: Coal Silo Inspection and Non-Destructive Evaluation (NDE) Services

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

Background

The four coal silos inside the plant at Platte Generating Station are original to the plant. Similar coal silos have experienced weld failures in recent years resulting in the silo cones collapsing inside the plants, causing catastrophic equipment damage.

Our Insurer, FM Global, has requested that we conduct an inspection of the silos. Platte Generating Station staff developed specifications to provide for the inspection of the four coal silos to determine the condition of the silos and maintain the structures serviceability.

Discussion

Specifications for the Coal Silo Inspection and Non-Destructive Evaluation (NDE) Services were distributed to seven testing companies as well as being advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on June 27, 2019. The engineer's estimate for this project was \$200,000.00. Bids were received from two companies:

Bidder	Base Bid	Adjustment	Adjusted Bid
Mistras Group, Inc. Longmont, Colorado	\$105,314.00	\$-21,480.00	\$83,474.00
Industrial Access, Inc., Cumming, Georgia	\$ 86,460.00		\$86,460.00

Bids were reviewed by plant engineering staff. The proposal from Mistras Group, Inc., of Longmont, Colorado contained a basic error in the calculation of the test crew's travel time where total man hours were entered instead of the crew hours. For the four-man crew, this resulted in four times the actual travel cost for a -\$21,840 adjustment. The

resulting correct bid amount is \$83,474.00. The Mistras Group, Inc., proposal is the low bid, 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 Silo Inspection and Non-Destructive Evaluation (NDE) Services to Mistras Group, Inc., of Longmont, Colorado, as the low responsive bidder, with the bid in the amount of \$83,474.00.

Sample Motion

Move to approve the bid in the amount of \$83,474.00 from Mistras Group, Inc., of Longmont, Colorado, for the Coal Silo Inspection and Non-Destructive Evaluation (NDE) Services.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: June 27, 2019 at 2:00 p.m.

FOR: Coal Silo Inspection and Non-Destructive Evaluation (NDE) Services

DEPARTMENT: Utilities

ESTIMATE: \$200,000.00

FUND/ACCOUNT: 520

PUBLICATION DATE: June 7, 2019

NO. POTENTIAL BIDDERS: 5

SUMMARY

Bidder: Mistras Group, Inc.
Longmont, CO

Bid Security: Westchester Fire Insurance Co.

Exceptions: Noted

	Base	Option A	Option B	Option C
	Coal Silo	Bunker Room	Silo Wash	Silo Pre-Test
	<u>Inspection/NDE</u>	<u>Preparation</u>	<u>Down</u>	<u>Preparation</u>
Material:	NA	No Bid	No Bid	No Bid
Labor:	\$105,314.00			
Sales Tax:	<u>N/A</u>			
Base Bid:	\$105,314.00			
Total Base Bid:	\$105,314.00			

Bidder: Industrial Access, Inc.
Bid Security: Cumming, GA
Exceptions: Argonaut Insurance Co.
Noted

	Base Coal Silo <u>Inspection/NDE</u>	Option A Bunker Room <u>Preparation</u>	Option B Silo Wash <u>Down</u>	Option C Silo Pre-Test <u>Preparation</u>
Material:	N/A	T & M	T & M	T & M
Labor:	\$86,460.00			
Sales Tax:	<u>N/A</u>			
Base Bid:	\$86,460.00			
Total Base Bid:	\$86,460.00			

cc: Tim Luchsinger, Utilities Director
Jerry Janulewicz, Interim City Administrator
Stacy Nonhof, Purchasing Agent
Darrell Dorsey, PGS Plant Superintendent

Pat Gericke, Utilities Admin. Assist.
Patrick Brown, Finance Director
Karen Nagel, Utilities Secretary

P2139

RESOLUTION 2019-203

WHEREAS, the City of Grand Island invited sealed bids for Coal Silo Inspection and Non-Destructive Evaluation (NDE) Services, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on June 27, 2019, bids were received, opened and reviewed; and

WHEREAS, Mistras Group, Inc., of Longmont, Colorado, 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 \$83,474.00; and

WHEREAS, the bid of Mistras Group, Inc., is less than the estimate for Coal Silo Inspection and NDE Services.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Mistras Group, Inc., in the amount of \$83,474.00 for Silo Inspection and NDE Services, 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 9, 2019.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
July 5, 2019	☐ City Attorney