



# City of Grand Island

Tuesday, May 11, 2021

Council Session

## Item G-4

**#2021-107 - Approving Bid Award - Burdick Station Asbestos Abatement**

Staff Contact: Tim Luchsinger, Stacy Nonhof

# **Council Agenda Memo**

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

**Meeting Date:** May 11, 2021

**Subject:** Burdick Station Asbestos Abatement

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

## **Background**

The Burdick Generating Station consists of three steam units, three gas turbines and the City Water Control System operations. In 2016, Steam Units #1 and #2 were removed and are no longer a part of Grand Island Utilities generation. In 2017, Steam Unit #3 was decommissioned. The large structure that housed the units is expensive to maintain and contains hazardous materials. Utility staff retained Black & Veatch Engineering firm to develop a demolition plan for the existing structure and hazardous materials removal.

Black & Veatch and Utilities Engineering staff developed a specification for the abatement activities related to the removal of asbestos containing materials (ACM) prior to demolition of the facility. Abatement will include all spaces inside and outside of the administrative and powerhouse buildings, equipment, pipes, and structures of the powerhouse and fuel oil tank farm, oil pump building and gas metering buildings.

## **Discussion**

Specifications for the Burdick Station Asbestos Abatement were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on April 20, 2021. The engineer's estimate for this project was \$1,200,000.00.

Bidder	Bid Price	Adjusted Price
McGill Asbestos Abatement, LLC Omaha, Nebraska	\$871,000.00	\$842,750.00
New Horizons Enterprises, LLC Kansas City, Missouri	\$996,817.00	
Horsley Specialties Rapid City, South Dakota	\$1,168,284.30	

Bids were reviewed by plant engineering staff, and the clarifications noted in the bid provided by the low bidder, McGill Asbestos Abatement are acceptable. After bids were received, it was determined that the Burdick Building demolition would not occur until Fiscal Year 2023. To keep the building weather tight, the windows which have asbestos containing material in the glazing and two tanks with an asbestos tar coating will remain until a demo contractor is awarded the work.

This reduced scope will lower the labor bid amount for McGill Asbestos Abatement by \$31,950.00. The taxes were calculated at 7.0% and should have been 7.5%, increasing the tax to \$8,700.00. The revised bid by McGill Asbestos Abatement is \$842,750.00, 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 Burdick Station Asbestos Abatement to McGill Asbestos Abatement, LLC, of Omaha, Nebraska, as the low responsive bidder, with the bid in the amount of \$842,750.00.

### **Sample Motion**

Move to approve the bid in the amount of \$842,750.00 from McGill Asbestos Abatement, LLC, for the Burdick Station Asbestos Abatement.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** April 20, 2021 at 2:00 p.m.  
**FOR:** Burdick Station Asbestos Abatement  
**DEPARTMENT:** Utilities  
**ESTIMATE:** \$1,200,000.00  
**FUND/ACCOUNT:** 520  
**PUBLICATION DATE:** March 26, 2021  
**NO. POTENTIAL BIDDERS:** 6

**SUMMARY**

<b>Bidder:</b>	<u>New Horizons Enterprises, LLC</u> Lincoln, NE	<u>Horsley Specialties, Inc.</u> Rapid City, SD
<b>Bid Security:</b>	Granite Re, Inc.	Atlantic Specialty Ins. Co.
<b>Exceptions:</b>	None	None

<b>Bid Price:</b>		
<b>Material:</b>	\$154,460.00	\$200,000.00
<b>Labor:</b>	\$830,000.00	\$968,284.30
<b>Sales Tax:</b>	\$ 12,357.00	-0-
<b>Total Bid:</b>	\$996,817.00	\$1,168,284.30

<b>Bidder:</b>	<u>McGill Asbestos Abatement, LLC</u> Omaha, NE
<b>Bid Security:</b>	Granite Re, Inc.
<b>Exceptions:</b>	Noted

<b>Bid Price:</b>	
<b>Material:</b>	\$116,000.00
<b>Labor:</b>	\$750,000.00
<b>Sales Tax:</b>	\$ 8,000.00
<b>Total Bid:</b>	\$874,000.00

cc: Tim Luchsinger, Utilities Director

Pat Gericke, Admin. Asst. Utilities

Jerry Janulewicz, City Administrator  
Stacy Nonhof, Purchasing Agent  
Karen Nagel, Utilities Secretary

Patrick Brown, Finance Director  
Lynn Mayhew, Asst. Utilities Director

**P2267**

RESOLUTION 2021-107

WHEREAS, the City of Grand Island invited sealed bids for Burdick Station Asbestos Abatement, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on April 30, 2021, bids were received, opened and reviewed; and

WHEREAS, McGill Asbestos Abatement, LLC, 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 \$842,750.00; and

WHEREAS, the bid of McGill Asbestos Abatement, LLC, is less than the estimate for Burdick Station Asbestos Abatement.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of McGill Asbestos Abatement, LLC, in the amount of \$842,750.00, is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, May 11, 2021.

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Roger G. Steele, Mayor

Attest:

\_\_\_\_\_  
Jill Granere, Deputy City Clerk

Approved as to Form	▣ _____
May 7, 2021	▣ City Attorney