



City of Grand Island

Tuesday, May 11, 2021

Council Session

Item G-5

#2021-108 - Approving Bid Award - Air Heater Replacement Parts

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: Air Heater Replacement Parts

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

Background

The air preheater at Platte Generating Station is filled with heat exchangers, called baskets. The gas exiting the boiler after the combustion passes through an air preheater that captures and transfers some of the heat to raise the temperature of the incoming air used for combustion. The baskets rotate through both the hot exit gas and the cold incoming air. These baskets are made of a corrugated metal that are held in a metal frame. Through the course of time, these baskets deteriorate, and need replaced.

Discussion

Specifications for the Air Heater Replacement Parts were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on April 27, 2021. The engineer's estimate for this project was \$200,000.00.

Bidder	Bid Price	Adjusted Price
Arvos Ljungstrom, LLC Wellsville, New York	\$192,281.15	\$193,090.88

The bid was reviewed by plant engineering staff. Taxes were computed based on 7.0% and adjusted to the correct 7.5% rate. Otherwise, it 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 Air Heater Replacement Parts to Arvos Ljungstrom LLC, of Wellsville, New York, as the low responsive bidder, with the bid in the amount of \$193,090.88.

Sample Motion

Move to approve the bid in the amount of \$ 193,090.88 from Arvos Ljungstrom LLC, for the Air Heater Replacement Parts.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: April 27, 2021 at 2:00 p.m.
FOR: Air Heater Replacement Parts
DEPARTMENT: Utilities
ESTIMATE: \$200,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: April 9, 2021
NO. POTENTIAL BIDDERS: 3

SUMMARY

Bidder: Arvos Ljunstrom, LLC
Wellsville, NY
Bid Security: Cashier's Check
Exceptions: None

Bid Price:
Material: \$161,945.00
Labor: Not Bid
Sales Tax: \$ 11,336.15
Total Bid: \$173,281.15

Field Engineer: \$19,000.00

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

Pat Gericke, Utilities Admin. Assist.
Patrick Brown, Finance Director
Tylor Robinson, Production Engineer

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RESOLUTION 2021-108

WHEREAS, the City of Grand Island invited sealed bids for Air Heater Replacement Parts, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on April 27, 2021, bids were received, opened and reviewed; and

WHEREAS, Arvos Ljungstrom, LLC, of Wellsville, New York, 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 \$193,090.88; and

WHEREAS, the bid of Arvos Ljungstrom, LLC, is less than the estimate for the Air Heater Replacement Parts.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Arvos Ljungstrom, LLC, in the amount of \$193,090.88 for Air Heater Replacement Parts 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.

Roger G. Steele, Mayor

Attest:

Jill Granere, Deputy City Clerk

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