



City of Grand Island

Tuesday, February 8, 2022

Council Session

Item G-6

#2022-34 - Approving Bid Award - Burdick Gas Turbine 3 Lube Oil Replacement

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Date: February 8, 2022

Subject: Burdick Gas Turbine 3 Lube Oil Replacement

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

Background

Burdick Generating Station commissioned two simple cycle General Electric 6B combustion turbine electric generating units in 2003 that burn natural gas as their primary fuel. They are also capable of consuming No. 2 distillate oil as a secondary fuel which has made them a reliable source of peaking power for the City of Grand Island. The lube oil system in a General Electric Frame 6B is considered a critical system since the lube oil is used as the working fluid in the hydraulic control system. Contaminated or deteriorated lube oil can cause damage to the bearings and decrease reliability. Due to the service life of the oil, Utility personnel are soliciting bids to flush the lube oil circuits and replace the existing lube oil fluids.

Discussion

Specifications for the Gas Turbine 3 Lube Oil Replacement were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on January 25, 2022. The engineer's estimate for this project was \$300,000.00.

Bidder	Bid Price
Allied Oil & Supply, Inc. Omaha, Nebraska	\$ 172,303.15

Bids were reviewed by plant engineering staff and exceptions were noted. The bid supplied by Allied Oil & Supply, Inc. is in compliance with the bid specification.

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 Gas Turbine 3 Lube Oil Replacement to Allied Oil & Supply, Inc. of Omaha, Nebraska, as the low responsive bidder, with the bid in the amount of \$ 172,303.15.

Sample Motion

Move to approve the bid in the amount of \$172,303.15 from Allied Oil & Supply for the Burdick Gas Turbine 3 Lube Oil Replacement.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: January 25, 2022 at 2:00 p.m.
FOR: Burdick Gas Turbine 3 Lube Oil Replacement
DEPARTMENT: Utilities
ESTIMATE: \$300,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: December 17, 2021
NO. POTENTIAL BIDDERS: 3

SUMMARY

Bidder: Allied Oil & Supply, Inc.
Omaha, NE
Bid Security: Cashier's Check
Exceptions: Noted

Material: \$160,282.00
Labor: Included
Sales Tax: \$ 12,021.15
Total: \$172,303.15

Firm Day Rate: \$ 7,880.00

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

Angela Sculte, Utilities Secretary
Patrick Brown, Finance Director
Tylor Robinson, Production Engineer

P2335

RESOLUTION 2022-34

WHEREAS, the City of Grand Island invited sealed bids for Gas Turbine 3 Lube Oil Replacement, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on January 25, 2022, bids were received, opened and reviewed; and

WHEREAS, Allied Oil & Supply, Inc., 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 \$172,303.15; and

WHEREAS, the bid of Allied Oil & Supply, Inc., is less than the estimate for Gas Turbine 3 Lube Oil Replacement.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Allied Oil & Supply, Inc., in the amount of \$172,303.15 for Gas Turbine 3 Lube Oil Replacement, is approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, February 8, 2022.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☒ _____
February 3, 2022	☒ City Attorney