



City of Grand Island

Tuesday, April 12, 2022

Council Session

Item G-6

#2022-82 - Approving Bid Award - GT2 Hot Gas Path Inspection

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting Date: April 12, 2022

Subject: Gas Turbine 2 Hot Gas Path Inspection

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

Background

Gas turbines operate under high temperatures and must have the components inspected and repaired based on the number of run hours and starts. The Burdick #2 Gas Turbine known as GT2 has met the requirements for a Hot Gas Path Inspection where the fuel is combusted and hot gases convert the burning fuel to rotational energy to produce power. GT2 must be disassembled and inspected for damages that may have occurred from normal operation. The GT2 Hot Gas Path Inspection is currently scheduled for May 23, 2022, through September 3, 2022, during which time inspection and maintenance on the turbine will be performed. The purpose of a hot gas path inspection is to prevent a machine failure and increase machine reliability by repairing those parts exposed to high temperature gases discharged during the combustion process. Plant engineering staff developed the specifications issued for bids covering this scope of work.

Discussion

The specification for the Gas Turbine 2 Hot Gas Path Inspection was advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on March 22, 2022. Specifications were sent to three potential bidders and responses were received as listed below. The engineer's estimate for this project was \$1,000,000.00.

Bidder	Base Bid	Adjustments	Adjusted Bid
Blade Runner Turbomachinery Services Navasota, Texas	\$ 173,070.00	\$ 679,094.50	\$ 852,164.50
General Electric International, Inc. Atlanta, Georgia	\$ 454,350.00	\$ 569,671.25	\$ 1,024,021.25
Allied Power Group, LLC Houston, Texas	\$ 451,500.00	\$ 602,044.29	\$ 1,053,544.29

S.T. Cotter Turbine Services, Inc. Clearwater, MN	\$ 630,000.00	\$ 509,724.44	\$ 1,139,724.44
Power Services Group, Inc. Cape Coral, FL	\$ 529,896.00	\$ 1,163,388.03	\$ 1,693,284.03

The base bids are for the disassembly and reassembly of the unit. It is the Utility Engineering staff's experience that additional work and repairs will be required during this project. The scope of work and repairs can only be identified at the time of inspection. All bid adjustments have been made to estimate the extent of the repairs needed. Adjustments to the base bid are for the repair of the components based on a light, medium, or heavy repair. All adjustments were based on the same potential repairs.

The bids were reviewed by Utility Engineering staff and the following was found:

Blade Runner Turbomachinery Services was determined to be an unqualified bidder per Section 4.0 of the detailed specification. Blade Runner Turbomachinery did not demonstrate sufficient experience or certifications specializing in General Electric European 6B combustion turbines.

Allied Power Group did not provide an itemized list of consumable parts as described in Section 2.5 and Section 3.1 of the detailed specification and was considered as a nonresponsive bid.

General Electric International, Inc. listed exceptions that were reviewed and found to be acceptable. The bid from General Electric International, Inc. was otherwise found compliant with the specifications and the lowest responsive and responsible bidder.

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 Gas Turbine 2 Hot Gas Path Inspection to General Electric International, Inc. of Atlanta, GA as the responsive bidder, with an adjusted bid in the amount of \$1,024,021.25.

Sample Motion

Move to approve the bid of \$1,024,021.25 from General Electric International, Inc. for the Gas Turbine 2 Hot Gas Path Inspection.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: March 22, 2022 at 2:00 p.m.
FOR: Gas Turbine 2 Hot Gas Inspection at Burdick Generating Station
DEPARTMENT: Utilities
ESTIMATE: \$1,000,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: February 19, 2022
NO. POTENTIAL BIDDERS: 4

SUMMARY

Bidder:	<u>Allied Power Group, LLC</u> Houston, TX	<u>S.T. Cotter Turbine Services, Inc.</u> Clearwater, MN
Bid Security:	Philadelphia Indemnity Ins. Co.	Atlantic Specialty Ins. Co.
Exceptions:	Noted	Noted

Bid Price:	<u>\$451,500.00</u>	<u>\$645,000.00</u>
TIL Resolution	<u>\$400,000.00</u>	<u>\$ 15,000.00</u>
Parts Est.:	<u>\$ 30,000.00</u>	<u>\$ 40,000.00</u>
Capital Repair:	<u>\$442,975.00</u>	<u>\$428,000.00</u>

Bidder:	<u>Blade Runner Turbomachinery Services</u> Navasota, TX	<u>General Electric International, Inc.</u> Atlanta, GA
Bid Security:	SureTec Insurance Co.	Argonaut Insurance Co.
Exceptions:	None	Noted

Bid Price:	<u>\$173,070.00</u>	<u>\$454,350.00</u>
TIL Resolution	<u>\$ 18,300.00</u>	<u>See Appendix A</u>
Parts Est.:	<u>\$483,205.00</u>	<u>\$125,000.00 Estimate</u>
Capital Repair:	<u>No Bid</u>	<u>See breakdown sheets</u>

Bidder:	<u>Power Services Group0, Inc.</u> Cape Coral, FL	<u>General Electric International, Inc. – Alt.</u> Atlanta, GA
Bid Security:	SureTec Insurance Co. Exceptions:	Argonaut Insurance Co.
Exceptions:	Noted	Noted
Bid Price:	<u>\$529,896.00</u>	<u>\$183,750.00</u>
TIL Resolution	\$163,556.00	See Appendix A
Parts Est.:	\$ 95,416.38	\$ 60,000.00
Capital Repair:	See Proposal	See breakdown sheets

cc: Tim Luchsinger, Utilities Director
Jerry Janulewicz, City Administrator
Stacy Nonhof, Purchasing Agent
Lynn Mayhew, Assist. Utilities Director

Tylor Robinson, Plant Superintendent
Patrick Brown, Finance Director
Karen Nagel, Utilities Secretary

P2357

RESOLUTION 2022-82

WHEREAS, the City of Grand Island invited sealed bids for the Gas Turbine 2 Hot Gas Path Inspection, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on March 22, 2022, bids were received, opened, and reviewed; and

WHEREAS, General Electric International, Inc., of Atlanta, Georgia, 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 adjusted bid being in the amount of \$1,024,021.25.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of General Electric International, Inc., in the amount of \$1,024,021.25 for Gas Turbine 2 Hot Gas Path Inspection, is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, April 12, 2022.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ✕ _____
April 7, 2022 ✕ City Attorney