



City of Grand Island

Tuesday, April 23, 2013

Council Session

Item I-3

**#2013-126 - Consideration of Approving Emergency Procurement
for Platte Generating Station Cooling Tower Repairs**

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director
Stacy Nonhof, Assistant City Attorney

Meeting: April 23, 2013

Subject: Emergency Procurement for Platte Generating Station
Cooling Tower Repairs

Item #'s: I-3

Presenter(s): Timothy Luchsinger, Utilities Director

Background

The Platte Generating Station utilizes a cooling tower for the plant's turbine-generator cooling water system. The system is designed for flows of over 30,000 gallons per minute and is critical to the plant's operation. By comparison, peak water flows for the City's municipal water system are around 20,000 gallons per minute. During the night of April 8, 2013, high winds damaged one of the five fan chutes on the cooling tower.

Although the tower is still operational at this time, the plant's generating capacity will be limited as daytime temperatures increase during summer conditions. The cost of the repair is estimated at \$60,000, with a completion time of five to six weeks after an order is placed. City Procurement Code requires that purchases over \$40,000 for the electric utility be formally advertised for bid, and a contract be approved by Council. The Procurement Code also allows Council to issue a declaration of emergency and authorize emergency procurement based on the most competitive method that the situation allows.

Discussion

Under normal procurement procedures, the soonest that a bid award could be done is at the May 13, 2013 meeting, with a repair completion date around the end of June, and a very high probability of limited generation capacity at Platte Generating Station during the peak demand season. Any additional power to meet this demand would need to be purchased from the market or through the use of gas-fired generation at Burdick Station. It would also impact the potential for surplus power sales from Platte Generating Station to the market.

The engineering staff at Platte Generating Station has been in contact with contractors specializing in cooling tower repairs and has identified four vendors who are currently preparing bids for the repair. Should the Council authorize the declaration of emergency procurement, an immediate award should be possible and repairs completed by the end of May 2013.

It is the recommendation of the Department that a declaration of emergency procurement be authorized and plant staff should proceed with obtaining a contractor to perform the cooling tower repairs in a timely manner. This will provide an unconstrained generation source for the City and avoid possible financial impacts.

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 the Council authorize the declaration of emergency procurement for Emergency Repairs to the Platte Generating Station Cooling Tower.

Sample Motion

Move to approve authorize the declaration of emergency procurement for Emergency Repairs to the Platte Generating Station Cooling Tower.



RESOLUTION 2013-126

WHEREAS, during the night of April 8, 2013, high winds damaged one of the five fan chutes on the cooling tower at the Platte Generating Station; and

WHEREAS, under normal procurement procedures, the soonest that a bid award could be done is at the May 13, 2013 meeting, with a repair completion date around the end of June, and a very big probability of limited generation capacity at Platte Generating Station during the peak demand season; and

WHEREAS, the engineering staff at Platte Generating Station has been in contact with contractors specializing in cooling tower repairs, and has identified four vendors who are currently preparing bids for the repair; and

WHEREAS, should the Council authorize the declaration of emergency procurement, an immediate award should be possible and repairs completed by the end of May 2013 with an estimated cost of \$60,000.00; and

WHEREAS, the Utilities Department has recommended that a declaration of emergency procurement be authorized and plant staff be authorized to proceed with obtaining a contractor to perform the cooling tower repairs in a timely manner as to provide an unconstrained generation source for the City and avoid possible financial impacts.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Utilities Department is authorized to proceed with obtaining a contractor to repair the cooling tower at Platte Generating Station as an emergency procurement at an estimated cost of \$60,000.00.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, April 23, 2013.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	▣ _____
April 19, 2013	▣ City Attorney