



City of Grand Island

Tuesday, March 12, 2002

Council Session

Item G8

#2002-64 - Approving Bid Award - Turbine Generator Control Engineering Services - Platte Generating Station

The control and protective systems associated with the PGS turbine generator are of late 70's design. That equipment is obsolete and no longer supported by the manufacturers. The Utilities Department proposes to replace these critical systems during the scheduled 2002 Fall outage. Funds are budgeted in the '01 - '02 electric budget for this project. Three main systems are included; turbine electro-hydraulic control, generator voltage control, and generator protective relaying.

In addition to the system replacements, the RFP also required the engineer to provide generator transient modeling for the PGS generator. With deregulation, the problems in California, and the general uneasiness concerning the stability and strength of the nation's electric system, FERC and MAPP are requiring this modeling of all electric generators.

Requests for Proposal (RFP) were advertised in accordance with the City Procurement Code and RFPs were sent to four firms. Three responses were received. The RFP required the bidders to respond with a not to exceed price for the engineering work.

Lutz, Daily & Brai Kansas City, KS \$147,700

Black & Veatch Kansas City, MO \$260,000

Sargent & Lund Chicago, IL \$295,000%

%Did not provide price for transient modeling

The proposals were reviewed and scored separately by three utilities engineering staff members with expertise in this scope of work; the Assistant Utilities Director, the Production Engineer and PGS Superintendent.

The not to exceed cost proposed by LD&B of \$147,700 was considerably less than those proposed by B&V. However, review of the proposal breakdown and the subsequent conference calls indicated that LD&B was minimizing consulting engineering costs by relying on design and drawing preparation by the replacement equipment suppliers or contractors. Black & Veatch and Sargent and Lundy are proposing total system engineering and document preparation. The Department has traditionally used the total engineering approach as it allows a better controlled product, provides detailed specifications for bidding equipment and contractor services, and provides for more efficient installation and

operational trouble shooting. In the method proposed by LD&B, the apparent engineering saving is offset by increased contractor engineering, drawing preparation, and installation costs. Overall project cost would be expected to remain approximately the same. In addition, control and coordination of the finished product is reduced. This method is not recommended for this critical project.

After evaluation of the proposals, it is the recommendation of the Utilities Department that this contract for engineering services be awarded to Black and Veatch for an amount not to exceed \$260,000, with the expenditure from Electric Fund 520. There are sufficient funds available. See attached RESOLUTION.

Staff Contact: Gary R. Mader;Dale Shotkoski

RESOLUTION 2002-64

WHEREAS, the City of Grand Island invited proposals for PGS Unit 1 Turbine/Generator Engineering Services for the Utilities Department, according to plans and Request for Proposals on file at the Platte Generating Station; and

WHEREAS, proposals were due on February 26, 2002; and

WHEREAS, Black & Veatch of Kansas City, Missouri, submitted a proposal in accordance with the terms of the Request for Proposals and all other statutory requirements contained therein; such proposal being in an amount not to exceed \$260,000; and

WHEREAS, a proposed agreement with Black & Veatch for such services has been reviewed and approved by the City Attorney.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the proposal of Black & Veatch of Kansas City, Missouri for PGS Unit 1 turbine/generator engineering services for an amount not to exceed \$260,000 is hereby approved.

BE IT FURTHER RESOLVED, that an agreement between the City and such contractor be entered into for such project; and the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska on March 12, 2002.

RaNae Edwards, City Clerk

Approved as to Form ? _____ March 8, 2002 ? City Attorney
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