



City of Grand Island

Tuesday, August 24, 2004

Council Session

Item G9

**#2004-203- Approving Bid Award for Turbine Packing
Replacement Valve Overhaul - Platte Generating Station**

Staff Contact: Gary R. Mader

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Dale Shotkoski, Asst. City Attorney/Purchasing

Meeting: August 24, 2004

Subject: Bid Award for Turbine Packing Replacement and Valve Overhaul - Platte Generating Station

Item #'s: G-9

Presenter(s): Gary R. Mader, Utilities Director

Background

Plant staff has observed significant changes in the operating characteristics of the Platte Generating Station over the last few months, and has determined that the change is caused by excessive steam leakage between the high pressure and intermediate pressure sections of the steam turbine. This leakage causes reduced boiler reheat steam flows, which affects boiler operation, as the boiler is calibrated to maintain reheat steam temperature. Steam leakage between turbine sections is controlled by labyrinth toothed shaft seals, commonly referred to as steam seal packing. The steam seal packing prevents steam leakage between the stationary turbine casings and the rotating shaft, and between turbine sections, in a severe working environment. Turbine steam inlet conditions are 1800psi at 1000⁰ F. The turbine at Platte has been in service since 1982 and the packing has never been replaced. Replacement seals have been purchased. Installation is planned during a fall maintenance outage.

Discussion

In order to keep the time of the outage to a minimum, the Utilities Department plans to use the services of an outside contractor along with plant staff to accomplish the repair. Also, periodic inspection of the turbine main steam valves is required by insurance carriers. Since an extended outage is required for the seals repair, the valve work is also planned for this fall. To that end, specifications were prepared and advertised for the turbine work. Five bids were received as tabulated below.

<u>Bidder</u>	<u>Bid price</u>
GE International, Inc., Omaha, NE	\$ 363,975.00 (taxes included)
TurboCare, Houston, TX	\$ 313,874.00 (taxes not included)
Elliott Company, Jacksonville, FL	\$ 299,341.00 (taxes included)
ReGENco, LLC, West Allis, WI	\$ 297,186.00 (taxes not included)
Power Generation Services, Inc., Anoka, MN	\$ 189,763.00 (taxes not included)

The base bid requires the work to be done in 18 days.

In addition to the base bids, bidders were asked to provide prices for performing the outage in the shortest time to minimize the amount of power to be supplied by either gas-fired generation at Burdick Station or from purchases from other sources. Power Generation Services quoted an extra cost of \$37,100 to reduce the outage time by two days.

The dispatch center estimates that the extra cost for replacement power during the Platte outage will be approximately \$35,000 per day, or a cost of \$70,000 for the two days that could be saved by shortening the outage. The plant staff recommends that the shortest time option be accepted, for a total contract price of \$226,863.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the award of the contract for Turbine Packing Replacement and Valve Overhaul.
2. Deny the award of the contract for the Turbine Packing Replacement and Valve Overhaul.
3. Table the issue.

Recommendation

Utility Department Engineering staff has reviewed the bids for compliance with the specifications. The lowest bid, from Power Generation Services, is evaluated as compliant. The Department has used that contractor in the past with satisfactory results.

City Administration recommends that the contract for Turbine Packing Replacement and Valve Overhaul be awarded to Power Generation Services, of Anoka, MN, and acceptance of the short time cost addition, for a total contract price of \$226,863.00, tax not included.

Sample Motion

I move that the contract for the Turbine Packing Replacement and Valve Overhaul be awarded to Power Generation Services, Inc.

Purchasing Division of Legal Department
INTEROFFICE MEMORANDUM



Dale M. Shotkoski, Assistant City Attorney

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: August 11, 2004 at 11:00 a.m.
FOR: Turbine Packing Replacement and Valve Overhaul
DEPARTMENT: Utilities
ESTIMATE: \$325,000.00
FUND/ACCOUNT: E520
PUBLICATION DATE: July 22, 2004
NO. POTENTIAL BIDDERS: 8

SUMMARY

Bidder:	<u>TurboCare</u> Houston, TX	<u>Power Generation Service, Inc.</u> Anoka, MN
Bid Security:	Federal Insurance Co.	United States Fidelity & Guaranty Co.
Exceptions:	Noted	Noted
Bid Price:	\$313,874.00 (Sales Tax not included)	\$189,763.00 (Sales Tax not included)
Bidder:	<u>GE International, Inc.</u> Omaha, NE	<u>ReGENco LLC</u> West Allis, WI
Bid Security:	Federal Insurance Co.	Old Republic Surety Company
Exceptions:	None	None
Bid Price:	\$363,975.00 (Sales Tax Included)	\$297,186.00 (Sales Tax not included)
Bidder:	<u>Elliott Company</u> Jacksonville, FL	
Bid Security:	Vigilant Insurance Co.	
Exceptions:	None	
Bid Price:	\$299,341.00 (Sales Tax Included)	

cc: Gary Mader, Utilities Director
Dave Kuhlman, Utilities Dept.
Gary Greer, City Administrator

Bob Smith, Assistant Utilities Director
Shelly Schnakenberg, Senior Utilities Sec.
Dale Shotkoski, Purchasing Agent

