



# City of Grand Island

Tuesday, November 23, 2004

Council Session

## Item G17

**#2004-306 - Approving Bid Award - Coal Supplier for 2005 -  
2006 - Platte Generating Station, Utilities Department**

Staff Contact: Gary R. Mader; Doug Walker

# Council Agenda Memo

**From:** Gary R. Mader, Utilities Director  
Doug Walker, City Attorney

**Meeting:** November 23, 2004

**Subject:** Bid Award – 2005 – 2006 Coal Supply, Platte Generating Station – Utilities Department

**Item #'s:** G-17

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

## Background

The contract for coal supply to PGS expires December 31, 2004. Therefore, bids were solicited for continued supply.

## Discussion

The contract for coal supply for calendar years 2005 and 2006 was advertised and published in accordance with the City Procurement Code. Bid documents were sent to five prospective bidders. Four bids were received: Kennecott Energy provided bids for coal from its Cordero Rojo and Jacobs Ranch Mine, Peabody Coal Sales from the Caballo Mine, Foundation Energy from the Belle Ayre Mine, and Arch Coal from the Thunder Basin Mine. All bids were evaluated for contract compliance and total delivered cost F.O.B. at PGS. The best bid was received from Kennecott Energy of Gillette, Wyoming.

## 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 award the Coal Supply Contract for 2005 and 2006 to Kennecott Energy.

## **Sample Motion**

I make a motion to award the 2005 – 2006 Coal Supply Contract to Kennecott Energy Company of Gillette, Wyoming.



Dale M. Shotkoski, Assistant City Attorney

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**BID OPENING**

**BID OPENING DATE:** November 17, 2004 at 11:00 a.m.  
**FOR:** Coal Supply Agreement 2005-2006  
**DEPARTMENT:** Utilities  
**ESTIMATE:**  
**FUND/ACCOUNT:** E520  
**PUBLICATION DATE:** November 2, 2004  
**NO. POTENTIAL BIDDERS:** 6

**SUMMARY**

<b>Bidder:</b>	<b><u>Peabody COALSALES Company</u></b> St. Louis, MO	<b><u>Kennecott Energy Company</u></b> Gillette, WY
	<b><u>Arch Coal Sales</u></b> St. Louis, MO	<b><u>Foundation Energy Sales, Inc.</u></b> Englewood, CO

cc: Gary Mader, Utilities Director  
Pat Gericke, Utilities Admin. Sec.  
Dale Shotkoski, Purchasing Agent

Bob Smith, Assistant Utilities Director  
Gary Greer, City Administrator  
Laura Berthelsen, Legal Assistant

**P957**

R E S O L U T I O N 2004-306

WHEREAS, the City of Grand Island invited bids for 2005-2006 Coal Supply Agreement for the Utilities Department, according to the plans and specifications on file at the Platte Generating Station; and

WHEREAS, in accordance with the City Council Study Session of October 5, 1998, it was stipulated that bid prices and/or final award prices would not be publicly disclosed; and

WHEREAS, on November 17, 2003, bids were received, opened and reviewed; and

WHEREAS, Kennecott Energy Company of Gillette, Wyoming, submitted a bid in accordance with the terms of the advertisement of bids and the plans and specifications and all other statutory requirements contained therein; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Kennecott Energy Company of Gillette, Wyoming, for the 2005-2006 Coal Supply Agreement is approved as the lowest responsive bid submitted.

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 contract on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, November 23, 2004.

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RaNae Edwards, City Clerk