



# City of Grand Island

Tuesday, August 08, 2006

Council Session

## Item G13

**#2006-224 - Approving Contract with Flatwater Materials for Sale of Fly Ash from Platte Generating Station - Utilities Department**

Staff Contact: Gary R. Mader; Dale Shotkoski

# Council Agenda Memo

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

**Meeting:** August 8, 2006

**Subject:** Platte Generating Station Fly Ash Purchase

**Item #'s:** G-13

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

## Background

As part of the combustion process of the coal in the boiler at the Platte Generating Station, ash is entrained in the exhaust gas. This ash, referred to as fly ash, is removed by an electrostatic precipitator before the gas enters the chimney. It is conveyed from the precipitator to a storage silo. The ash must then be disposed in on-site landfill areas or used for off-site applications such as an additive for concrete or asphalt, or soil stabilization. Almost all of the ash is of a quality usable for these off-site uses and has been sold to contractors since shortly after plant start-up. The contractor is responsible for removal of the ash to ensure that the operation of the plant is not impacted.

## Discussion

The specifications for the Platte Generating Station Fly Ash Purchase were prepared and issued for bid in accordance with City purchasing procedures. This five year contract is based on a "take all" basis during each calendar year with a price per ton paid to the City. Responses were received from the following bidders.

<u>Bidder</u>	<u>Bid Price</u>
Headwaters Resources, Fargo, ND	\$ 2.00 per ton
Flatwater Materials, Inc., Grand Island, NE	\$ 0.76 per ton

The specifications include a provision requiring the contractor to remove all ash produced at the plant. That has been a standard provision in the Ash Contract for over ten years. The high bidder, Headwaters Resources, took exception to that provision with no indications as to how much ash they would re-use. If that exception were allowed, the Contract would allow the contractor to remove no ash, which would require the Utilities

Department to provide for on-site landfill at the Department's expense. This bid is therefore evaluated as non-compliant with the specifications.

## **Alternatives**

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

1. Move to approve the Contract for the Platte Generating Station Fly Ash Purchase
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 Bid to Flatwater Materials, Inc. from Grand Island, NE, as the high responsive bidder, with the bid purchase price of \$0.76 per ton.

## **Sample Motion**

Motion to approve the bid of \$0.76 per ton from Flatwater Materials, Inc. for the Platte Generating Station Fly Ash Purchase as submitted.



Dale M. Shotkoski, Assistant City Attorney

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**BID OPENING**

**BID OPENING DATE:** July 20, 2006 at 11:00 a.m.  
**FOR:** Fly Ash Purchase (PGS)  
**DEPARTMENT:** Utilities  
**ESTIMATE:** None  
**FUND/ACCOUNT:** 520  
**PUBLICATION DATE:** July 6, 2006  
**NO. POTENTIAL BIDDERS:** 6

**SUMMARY**

<b>Bidder:</b>	<b><u>Headwaters Resources</u></b> Fargo, ND	<b><u>Flatwater Materials Inc.</u></b> Grand Island
<b>Exceptions:</b>	Noted	None
<b>Bid Price:</b>	\$2.00 per ton	\$0.76 per ton

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

Tim Luchsinger, Asst. Utilities Director  
Gary Greer, City Administrator  
Laura Berthelsen, Legal Assistant

**P1094**

R E S O L U T I O N 2006-224

WHEREAS, the City of Grand Island invited bids for Platte Generating Station Fly Ash Purchase from the Utilities Department, according to the plans and specifications on file in the office of the Utilities Department; and

WHEREAS, on July 6, 2006, bid were received, opened and reviewed; and

WHEREAS, Flatwater Materials, Inc. of Grand Island, Nebraska, 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, such bid being in the amount of \$.76 per equivalent dry ton.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of the Flatwater Materials, Inc. of Grand Island, Nebraska, in the amount of \$.76 per equivalent dry ton to purchase fly ash from the Platte Generating Station is hereby approved as the highest responsive bid submitted.

BE IT FURTHER RESOLVED, that a contract for such project be entered into between the City and such contractor ; and that 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, August 8, 2006.

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk

Approved as to Form	☐ _____
August 3, 2006	☐ City Attorney