



City of Grand Island

Tuesday, August 22, 2006

Council Session

Item G7

**#2006-232 - Approving Bid Award for Coal Supply Contracts for
2007 and 2008 - Platte Generating Station, Utilities Department**

Staff Contact: Gary R. Mader

Council Agenda Memo

From: Gary R. Mader, Utilities Director

Meeting: August 22, 2006

Subject: Bid Award – 2007 – 2008 Coal Supply, Platte
Generating Station – Utilities Department

Item #'s: G – 7

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

Background

The current two year contract for coal supply to Platte Generating Station expires December 31, 2006. Therefore, bids were solicited for continued supply for calendar years 2007 and 2008.

Discussion

The contracts for coal supply for calendar years 2007 and 2008 were advertised and published in accordance with the City Procurement Code. Bid documents were sent to five prospective bidders. Only three bids were received for the 2007 coal supply, and only two bids were received for the 2008 supply.

Bids received for the 2007 supply:

Rio Tinto Energy America: From the Cordero Rojo Mine and the Jacobs Ranch Mine
Arch Coal Sales: From the Coal Creek Mine
DTE Coal Sales: DTE is a coal wholesaler that does not actually operate mines
Peabody Energy Services: Declined to bid
Foundation Coal Sales: Declined to bid

Bids received for the 2008 supply:

Rio Tinto Energy America: From the Cordero Rojo Mine and the Jacobs Ranch Mine
Arch Coal Sales: From the Coal Creek Mine
DTE Coal Services: Declined to bid
Peabody Energy Services: Declined to bid
Foundation Coal Sales: Declined to bid

All bids were evaluated for contract compliance and total delivered cost FOB at Platte Generating Station. The lowest cost, compliant bid was received from Arch Coal Sales, with sales offices in St. Louis, MO.

Alternatives

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

1. Make a motion 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 Contracts for 2007 and 2008 to Arch Coal Sales, Inc.

Sample Motion

I make a motion to award the 2007 and 2008 Coal Supply Contracts to Arch Coal Sales, Inc.



Dale M. Shotkoski, Assistant City Attorney

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: August 9, 2006 at 11:00 a.m.
FOR: 2007 Coal Supply Agreement
DEPARTMENT: Utilities
ESTIMATE: None
FUND/ACCOUNT: 520
PUBLICATION DATE: July 21, 2006
NO. POTENTIAL BIDDERS: 5

SUMMARY

Bidder:	<u>Arch Coal</u> St. Louis, MO	<u>DTE Energy</u> Golden, CO	<u>Rio Tinto Energy America</u> Greenwood Village, CO
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cc: Gary Mader, Utilities Director
Pat Gericke, Utilities Admin. Assist.
Dale Shotkoski, Purchasing Agent

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

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Dale M. Shotkoski, Assistant City Attorney

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SUMMARY

Bidder: Arch Coal, Inc. Rio Tinto Energy America
 St. Louis, MO Greenwood, CO

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

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

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RESOLUTION 2006-232

WHEREAS, the City of Grand Island invited bids for 2007 and 2008 Coal Supply Agreements 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 August 9, 2006, bids were received, opened and reviewed; and

WHEREAS, Arch Coal Sales, with sales offices in St. Louis, Missouri, submitted bids in accordance with the terms of the advertisement of bids and the 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 Arch Coal Sales, for the 2007 and 2008 Coal Supply Agreements 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, August 22, 2006.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
August 17, 2006	☐ City Attorney