



City of Grand Island

Tuesday, January 23, 2007

Council Session

Item G9

**#2007-17 - Approving Bid Award for Front End Loader - Platte
Generating Station**

Staff Contact: Gary R. Mader;DaleShotkoski

Council Agenda Memo

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

Meeting: January 23, 2007

Subject: Front End Loader – Platte Generating Station

Item #'s: G-9

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

Background

The coal-fueled steam generator at the Platte Generating Station produces two types of ash during its combustion process, fly ash and bottom ash. Fly ash is removed from the gas stream and is stored in an on-site silo. The fly ash is loaded into trucks and sold to a marketing contractor for end uses such as concrete production and land stabilization.

Bottom ash, a smaller component of the total ash produced, is heavier than the fly ash and drops to the bottom of the steam generator and is transferred to an on-site disposal area. This product is not marketable. Loading the bottom ash into trucks, maintenance of the loading area and maintenance of the state licensed on-site storage areas requires routine use of a front-end loader. In the past, this loader has either been borrowed from other City Departments or rented, depending on availability. A loader is normally required for a total time of two to three months during the year. Based on a rental rate of \$2,000 per week, this equates into an annual rental cost of \$16,000 to \$24,000, a substantial annual expense. For cost savings and more efficient maintenance of the plant areas, staff investigated the acquisition of a loader.

In lieu of purchasing a new loader, the plant staff developed specifications for a used loader that would satisfy ash loading and other plant materials handling duties, with a maximum price of \$50,000. The intent of the specifications was to obtain a selection of used loaders available on the current market for under this price.

Discussion

The specifications for the Used Front-End Loader were publicly advertised and issued for bid in accordance with the City Purchasing Code. The engineer's estimate for this equipment was \$50,000.00. One response was received;

Bidder

Nebraska Machinery Co.
of Doniphan, NE

Bid Price

\$48,000.00

The loader offered by Nebraska Machinery a 1989 Caterpillar Model 936 that had been received as a trade-in from the Dawson County Department of Roads. The plant staff inspected the unit and it was found to be acceptable contingent upon the dealer performing a number of maintenance repairs such as; replacing the operator's seat, a lift cylinder seal, bucket hinge pins and bushings, and repairing a bucket cylinder and hydraulic return line. The dealer will also change the engine, transmission, and differential oils and include two oil changes in the first year.

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 presented in this motion

Recommendation

City Administration recommends that the Council award the purchase to Nebraska Machinery Co. from Doniphan, NE, as the low responsive bidder, with the bid price of \$48,000.00.

Sample Motion

Motion to approve the bid of \$48,000.00 from Nebraska Machinery Co. for the Front-End Loader as submitted.

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: December 19, 2006 at 11:00 a.m.

FOR: Front End Loader

DEPARTMENT: Utilities

ESTIMATE: \$50,000.00

FUND/ACCOUNT: 520

PUBLICATION DATE: November 23, 2006

NO. POTENTIAL BIDDERS: 7

SUMMARY

Bidder: Nebraska Machinery Co.
Grand Island, NE

Exceptions: Noted

Bid Price: \$48,000.00

cc: Gary Mader, Utilities Director
Karen Nagel, Utilities Secretary
Gary Greer, City Administrator
Sherry Peters, Legal Secretary

Bob Smith, Assist. Utilities Director
Pat Gericke, Utilities Admin. Assist.
Dale Shotkoski, Purchasing Agent

P1125

RESOLUTION 2007-17

WHEREAS, the City of Grand Island invited sealed bids for a Front End Loader for the Utilities Department, Platte Generating Station, according to specifications on file with the City Clerk; and

WHEREAS, on December 19, 2006, bids were received, opened and reviewed; and

WHEREAS, Nebraska Machinery, Co. of Doniphan, Nebraska, submitted a bid in accordance with the terms of the advertisement of bids and specifications and all other statutory requirements contained therein, such bid being in the amount of \$48,000.00; and

WHEREAS, such bid is below the estimate for such loader.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Nebraska Machinery Co. of Grand Island, Nebraska, in the amount of \$48,000.00 for one front end loader is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, January 23, 2007.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk