



City of Grand Island

Tuesday, February 27, 2007

Council Session

Item G6

**#2007-44 - Approving Bid Award for Air Heater Baskets & Seals -
Platte Generating Station**

Staff Contact: Gary R. Mader; DaleShotkoski

Council Agenda Memo

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

Meeting: February 27, 2007

Subject: Air Heater Basket & Seal Replacement

Item #'s: G-6

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

Background

In order to improve plant efficiency, the boiler at the Platte Generating Station utilizes an air heater. The combustion gases exit the boiler at temperatures of 750 to 800 degrees and pass through the air heater to preheat the temperature of incoming combustion air to 650 to 700 degrees. The recovery of exiting heat improves the overall thermal efficiency of the Power Plant. The air heater is filled with heat exchangers, called "baskets", which rotate through both the hot exit gas and then through the cold incoming air. The baskets are made of corrugated metal, held in a metal frame. The air heater also uses metal seals to minimize leaking of the combustion air and hot gases. The air heater assembly weighs about 300 tons.

The baskets and seals in the Platte Generating Station air heater are the originals furnished when the plant was built in 1982. Through the 25 years of near continuous operation, these have deteriorated and need to be replaced, and therefore funds were included in the '06-'07 Electric Department budget. Specifications for replacement baskets and seals were developed by plant staff.

Discussion

The specifications for Air Heater Basket & Seal Replacement were publicly advertised and issued for bid in accordance with the City Procurement Code. Responses were received from the following bidders. The engineer's estimate for this project was \$250,000.00.

<u>Bidder</u>	<u>Bid Price</u>
Paragon Airheater Technologies	\$253,147.59
Alstom Power, Inc.	\$192,139.00

Both bids were compliant with the specifications. Alstom Power is the original supplier of the boiler equipment. The Utilities Department recommends awarding the Air Heater Basket & Seal Replacement contract to Alstom Power, Inc. as the low compliant bidder.

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 Air Heater Basket & Seal Replacement
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 Contract for Air Heater Basket and Seal Replacement to Alstom Power, Inc. from Wellsville, NY, as the low responsive bidder, with the bid price of \$192,139.00.

Sample Motion

Motion to approve the Contract for Air Heater Basket and Seal Replacement to Alstom Power, 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: February 6, 2007 at 11:00 a.m.

FOR: Air Heater Baskets & Seals

DEPARTMENT: Utilities

ENGINEER'S ESTIMATE: \$250,000.00

FUND/ACCOUNT: 520

PUBLICATION DATE: January 20, 2007

NO. POTENTIAL BIDDERS: 3

SUMMARY

Bidder:	<u>Paragon Airheater Technologies</u> Corona, CA	<u>Alstom Power, Inc.</u> Wellsville, NY
Bid Security:	\$12,657.40	Westchester Fire Ins. Co.
Exceptions:	None	None
Bid Price:	\$253,147.59	\$192,139.00

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

Bob Smith, Assist. Utilities Director
Dave Kuhlman, Utilities Engineer
Gary Greer, City Administrator
Sherry Peters, Legal Secretary

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RESOLUTION 2007-44

WHEREAS, the City of Grand Island invited sealed bids for an Air Heater Basket and Seal Replacement for the Utilities Department, Platte Generating Station, according to specifications on file with the City Clerk; and

WHEREAS, on February 6, 2007, bids were received, opened and reviewed; and

WHEREAS, Alstom Power, Inc., of Wellsville, New York, 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 \$192,139.00; and

WHEREAS, such bid is below the estimate for said Air Heater Basket and Seal Replacement.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Alstom Power, Inc., of Wellsville, New York, in the amount of \$192,139.00 for an Air Heater Basket and Seal Replacement is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, February 27, 2007.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk