



City of Grand Island

Tuesday, September 09, 2008

Council Session

Item G5

#2008-238 - Approving Bid Award - Burdick Cooling Tower Replacement

Staff Contact: Gary R. Mader; Wesley Nespor

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Wesley Nespore, Asst. City Attorney/Purchasing

Meeting: September 9, 2008

Subject: Burdick Cooling Tower Replacement

Item #'s: G-5

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

Background

The #3 generating unit at the Burdick Station Power Plant utilizes a wooden structure cooling tower that was built in 1969, photo attached. The existing cooling tower has lasted 38 years and was a survivor of the 1980 tornados, sustaining an in-direct hit. The generating unit cooled by that tower was on-line at the time, and remained on-line for several days as power was slowly restored. The fan cylinder cones at the top of the tower were completely destroyed, and the tower structure received severe damage, including some damage that was not discovered until several months later. After tornado damage repair and nearly 40 years weather exposure, the tower is no longer structurally sound. It is leaning to the south about five degrees from vertical and structural consultants advise that it is in danger of collapsing. Normal life expectancy for a wood cooling tower is 25-30 years. In order to maintain reliability of this generating unit, the cooling tower needs to be replaced. Therefore, power plant engineering staff prepared specifications to place a new tower on the existing foundations. The new tower is of improved design of fiberglass and PVC plastic construction.

Discussion

The specifications for the Burdick Cooling Tower Replacement were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on August 19, 2008. Responses were received from the bidders listed below. The engineer's estimate for this project was \$1,520,000.

Bidder	Bid Price	Adjusted Bid Price	Alternate Bid
International Cooling Tower	\$ 1,385,000.00	\$ 1,455,350.00	
EvapTech, Inc.	\$ 1,374,605.00		\$ 1,249,000.00
Midwest Towers, Inc.	\$ 950,995.00		\$ 1,015,050.00

The bids were reviewed by utility engineering staff. International Cooling Tower did not include taxes on the materials and their bid was adjusted for the required taxes. Midwest Towers and EvapTech had no exceptions to the specifications and all bids were otherwise compliant with the specifications.

Midwest Towers also provided an optional bid of \$1,015,050 (an increase of \$64,055) for a slightly larger tower. The larger tower, with larger air intake area, allows the use of smaller horsepower motors for the draft fans located on the top of the cooling tower. The smaller fan motors will provide savings in electrical consumption and would also allow the re-use of existing motor starters that the department currently has on hand. The cost of purchasing and installing the larger motor starters required for the base bid unit is estimated at \$95,300. Therefore it is recommended that the alternate bid be considered as it provides for the lower overall project cost. The alternate bid from Midwest Towers, Inc. is compliant with specifications and less than the engineer's estimate.

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 Contract for Burdick Cooling Tower Replacement to Midwest Towers, Inc. of Blue Springs, Missouri, as the low evaluated bidder, for a contract price of \$1,015,050.00, accepting the alternate bid.

Sample Motion

Move to approve award of the bid of \$1,015,050.00 from Midwest Towers, Inc. for the Burdick Cooling Tower Replacement as submitted.



Figure 1: Existing Burdick Cooling Tower Built 1969



Dale M. Shotkoski, Assistant City Attorney

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: August 19, 2008 at 11:00 a.m.
FOR: Burdick Cooling Tower Replacement
DEPARTMENT: Utilities
ESTIMATE: \$1,520,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: July 30, 2008
NO. POTENTIAL BIDDERS: 4

SUMMARY

Bidder:	<u>International Cooling Tower</u> Edmonton, Canada	<u>EvapTech, Inc.</u> Lenexa, KS
Bid Security:	The Hartford Fire Insurance Co.	Western Surety Company
Exceptions:	None	Noted

Bid Price:			<u>Alternate Bid</u>
Material:	\$1,005,000.00	\$ 953,745.00	\$ 863,750.00
Labor:	380,000.00	355,000.00	325,600.00
Sales Tax:	<u>All Taxes Extra</u>	<u>65,860.00</u>	<u>59,650.00</u>
Total Base Bid:	\$1,385,000.00	\$1,374,605.00	\$1,249,000.00

Bidder:	<u>Midwest Towers, Inc.</u> Blue Springs, MO
Bid Security:	\$50,000.00
Exceptions:	Noted

Bid Price:		<u>Option 1</u>
Material:	\$652,086.00	\$ 690,057.00
Labor:	253,264.00	276,688.00
Sales Tax:	<u>45,645.00</u>	<u>48,305.00</u>
Total Base Bid:	\$950,995.00	\$1,015,050.00

cc: Gary Mader, Utilities Director
Dale Shotkoski, City Attorney
Jeff Pederson, City Administrator
Lynn Mayhew, PGS

Bob Smith, Assist. Utilities Director
Wes Nespor, Assist. City Attorney
Pat Gericke, Utilities Admin. Assist.
Karen Nagel, Utilities Secretary

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RESOLUTION 2008-238

WHEREAS, the City Electric Department invited sealed bids for Burdick Cooling Tower Replacement; and

WHEREAS, on August 19, 2008, bids were received, opened and reviewed; and:

WHEREAS, Midwest Towers, Inc., of Blue Springs, Missouri submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, such bid being in the amount of \$1,015,050.00; and;

WHEREAS, the bid of Midwest Towers, Inc., is less than the estimate for the Burdick Cooling Tower Replacement.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Midwest Towers, Inc., of Blue Springs, Missouri, in the amount of \$1,015,050.00 for the Burdick Cooling Tower 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, September 9, 2008.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk