



City of Grand Island

Tuesday, November 04, 2008

Council Session

Item G4

**#2008-314- Approving Bid Award - Diesel Generator - Platte
Generating Station**

Staff Contact: Gary R. Mader; Wesley Nespor

Council Agenda Memo

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

Meeting: November 4, 2008

Subject: Bid Award - Diesel Generator – Platte Generating Station

Item #'s: G-4

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

Background

In the event of a regional electric system blackout, restoration of power to the City is accomplished by using the blackstart capability of Gas Turbine 1 (GT-1) at the Burdick Station. This unit is designed to be started without an external power source and, once operating and on-line, is used to start the other generation units of the City. GT-1 was installed in 1967, and while it is regularly operated and maintained, restoring power to the City during an event such as the New Years Day ice storm of 2007, or the tornadoes of 1980, results in relying on a single 40-year-old unit.

Additionally, a mobile diesel generator can be used to power other critical municipal infrastructure. In the event of partial electric system destruction, facilities such as the water supply Well Field (which did lose power during the New Years ice storm when a regional transmission line collapsed and cut off all power feeds), reservoir pumping stations, Waste Water treatment facilities, etc.

To enhance the security of power restoration and critical infrastructure during emergency conditions, Department staff recommends the addition of a mobile diesel-driven generator that could be used as an alternate source of power. Accordingly, the emergency Diesel Generator was included in the '08-'09 Electric Department Budget. Department staff developed specifications for the unit.

Discussion

The specifications for the Diesel Generator were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on October 14, 2008. Responses were received from the bidders listed below. The engineer's estimate for this project was \$750,000.00.

Bidder	Bid Price
NMC, Omaha, NE	\$ 661,377.70
Interstate Power systems, Minneapolis, MN	\$ 741,597.77
Cummins Central Power, LLC, Omaha, NE	\$ 714,354.68

The Bids were reviewed by Utility Engineering staff. The unit proposed by Cummins Central Power does not include the specified two hour fire rating. The bids are otherwise compliant with the 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 the Diesel Generator to Nebraska Machinery Company (NMC) of Omaha, NE, as the low responsive bidder, with the bid price of \$661,377.70.

Sample Motion

Move to approve award of the bid of \$661,377.70 from Nebraska Machinery Company (NMC) for the Diesel Generator as submitted.

Purchasing Division of Legal Department
INTEROFFICE MEMORANDUM



Wes Nespor, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: October 14, 2008 at 11:00 a.m.
FOR: Diesel Generator
DEPARTMENT: Utilities
ESTIMATE: \$750,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: September 12, 2008
NO. POTENTIAL BIDDERS: 3

SUMMARY

Bidder:	<u>NMC</u> Omaha, NE	<u>Interstate Power Systems</u> Minneapolis, MN
Bid Security:	Travelers Casualty & Surety Co.	Western Surety Company (copy)
Exceptions:	None	None
Material:	\$618,110.00	\$690,811.00
Labor:	-----	\$ 2,430.00
Sales Tax:	\$ 43,267.70	\$ 48,356.77
Total Base Bid:	\$661,377.70	\$741,597.77

Bidder:	<u>Cummins Central Power, LLC</u> Omaha, NE
Bid Security:	Fidelity and Deposit Company
Exceptions:	None
Material:	\$661,127.69
Labor:	\$ 6,493.51
Sales Tax:	\$ 46,733.48
Total Base Bid:	\$714,354.68

cc: Gary Mader, Utilities Director
Dale Shotkoski, City Attorney
Jeff Pederson, City Administrator
Tim Luchsinger, PGS Assist. Utilities Director

Bob Smith, Deputy Utilities Director
Wes Nespor, Purchasing Agent
Pat Gericke, Utilities Admin. Assist.
Karen Nagel, Utilities Secretary

DATE:

RESOLUTION 2008-314

WHEREAS, the City Electric Department invited sealed bids for a Diesel Generator for the Utilities Department; and

WHEREAS, on October 14, 2008, bids were received, opened and reviewed; and:

WHEREAS, Nebraska Machinery Company of Omaha, Nebraska 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 \$661,377.70; and;

WHEREAS, the bid of Nebraska Machinery Company, is less than the estimate for the Diesel Generator.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Nebraska Machinery Company of Omaha, Nebraska, in the amount of \$661,377.70 for the Diesel Generator for the Utilities Department is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, November 4, 2008.

Margaret Hornady, Mayor

Attest:

Paul Briseno, Deputy City Clerk