



City of Grand Island

Tuesday, November 04, 2008

Council Session

Item G5

**#2008-315- Approving Bid Award for Coal Supply at Platte
Generating Station for 2009 and 2010**

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 – 2009 – 2010 Coal Supply, Platte Generating Station – Utilities Department

Item #'s: G-5

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

Background

The current two year contract for coal supply to Platte Generating Station expires December 31, 2008. Therefore, bids were solicited for continued supply for calendar years 2009 and 2010.

Discussion

The contract specifications for coal supply for calendar years 2009 and 2010 were advertised and published in accordance with the City Procurement Code. Bid documents were sent to four prospective bidders. Only two bids were received for the 2009 coal supply, and only one bid was received for the 2010 supply.

Bid summary for the 2009 supply:

Rio Tinto Energy America:	Declined to bid
Arch Coal Sales:	From the Coal Creek Mine
Peabody Energy:	From the Caballo mine
Foundation Coal Sales:	Declined to bid

Bid summary for the 2010 supply:

Rio Tinto Energy America:	Declined to bid
Arch Coal Sales:	From the Coal Creek Mine
Peabody Energy:	Declined to bid
Foundation Coal Sales:	Declined to bid

The bids were evaluated for contract compliance and total delivered cost FOB at Platte Generating Station. The lowest cost, compliant bid for 2009 coal supply was received from Arch Coal Sales. Only one bid was received for 2010 coal supply, that also from Arch Coal. It is recommended that the 2010 contract also be awarded to secure fuel supply for a two year term.

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 Coal Supply Contracts for 2009 and 2010 to Arch Coal Sales, Inc., of St. Louis Missouri.

Sample Motion

Move to approve the 2009 and 2010 Coal Supply Contracts to Arch Coal Sales, Inc.

Purchasing Division of Legal Department
INTEROFFICE MEMORANDUM



Wes Nespor, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: October 23, 2008 at 11:15 a.m.

FOR: 2009 & 2010 Coal Supply Agreement

DEPARTMENT: Utilities

ESTIMATE: None

FUND/ACCOUNT: 520

PUBLICATION DATE: October 9, 2008

NO. POTENTIAL BIDDERS: 4

SUMMARY

Bidder:	<u>Peabody Energy</u>	<u>Arch Coal, Inc.</u>
	St. Louis, MO	St. Louis, MO
	Bid for 2009	Bid for 2009 & 2010

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

Bob Smith, Assistant Utilities Director
Wes Nespor, Purchasing Agent
Pat Gericke, Utilities Admin. Assist.

P1299

RESOLUTION 2008-315

WHEREAS, the City Electric Department invited sealed bids for 2009 and 2010 Coal Supply Agreements for the Utilities Department, according to the contract specifications on file at the Utilities Department office; and

WHEREAS, it was stipulated that bid prices and/or final award prices would not be publicly disclosed; and

WHEREAS, on October 23, 2008 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 contract 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 bids of Arch Coal Sales, for the 2009 and 2010 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, November 4, 2008.

Margaret Hornady, Mayor

Attest:

Paul Briseno, Deputy City Clerk

Approved as to Form	☐ _____
October 31, 2008	☐ City Attorney