



# City of Grand Island

Tuesday, March 24, 2009

Council Session

## Item G6

**#2009-62- Approving Bid Award for Coal Storage Expansion -  
2009 at Platte Generating Station**

Staff Contact: Gary R. Mader

# Council Agenda Memo

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

**Meeting:** March 24, 2009

**Subject:** Coal Storage Expansion 2009

**Item #'s:** G-6

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

## Background

The coal storage area at Platte Generating Station (PGS) is comprised of two storage areas, active and long-term. The active storage pile is for short-term storage of coal before it is conveyed into the plant for use as boiler fuel. The long-term storage area provides a fuel reserve for disruptions in coal deliveries.

To prevent spontaneous combustion of the coal, long-term storage requires the coal to be compacted in order to reduce air cavities. This compaction is performed by systematically placing the coal in shallow lifts in a specific pattern so that the action of the heavy dozers driving over the coal achieves sufficient compaction to prevent spontaneous combustion. The geometry of the pile should not exceed a 4 to 1 (horizontal to vertical) slope to allow safe operation on the side slopes. Slopes exceeding this ratio increase the hazard of coal dozer roll over.

Since plant start-up in 1982, PGS has experienced several interruptions in coal delivery. In two of those instances, coal inventory was severely reduced; to a couple of weeks. Coal-fueled plants normally plan for 45 to 60 days of long-term coal storage. As the City has grown, so has its electric usage and so has the volume of coal required in long-term storage. Because of the currently undersized storage area footprint at Platte, maintaining this inventory level requires a very steep side slope ratio of 1 to 2. As a result, the current coal storage area is filled substantially above design capacity. To correct this issue, plant engineering staff developed plans and specifications to increase the size of the long term coal storage area. The increased storage capacity will provide more area and a favorable geometry to maintain the coal pile and would provide increased storage capacity should that be necessary in the future.

This proposed project includes expansion of the present long-term coal storage area, required relocation of a 12” fire protection water main and installation of a clay liner seal under the active storage area.

### **Discussion**

The specifications for the Coal Storage Expansion 2009 contract were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on March 3, 2009. Specifications were sent to six potential bidders and responses were received as listed below. The engineer’s estimate for this project was \$500,000.00.

<u>Bidder</u>	<u>Bid Price</u>
The Diamond Engineering Co., Grand Island, NE	\$219,679.81
Judds Brothers Construction Co., Lincoln, NE	\$245,866.00
General Excavating, Lincoln, NE	\$255,900.00

The bids were reviewed by plant engineering staff. All bids are 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 Coal Storage Expansion 2009 to The Diamond Engineering Co. of Grand Island, NE, as the low responsive bidder, with the bid price of \$219,679.81.

### **Sample Motion**

Move to approve award of the bid of \$219,679.81 from The Diamond Engineering Co. for the Coal Storage Expansion 2009 contract as submitted.



Wes Nespor, Purchasing Agent

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Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** March 3, 2009 at 11:00 a.m.  
**FOR:** Coal Storage Expansion 2009  
**DEPARTMENT:** Utilities  
**ESTIMATE:** \$500,000.00  
**FUND/ACCOUNT:** 520  
**PUBLICATION DATE:** February 11, 2009  
**NO. POTENTIAL BIDDERS:** 6

**SUMMARY**

<b>Bidder:</b>	<u>Judds Brothers Construction Co.</u> Lincoln, NE	<u>General Excavating</u> Lincoln, NE
<b>Bid Security:</b>	Inland Insurance Co.	Universal Surety Co.
<b>Exceptions:</b>	None	None

<b>Bid Price:</b>		
<b>Material:</b>	\$93,371.00	\$99,700.80
<b>Labor:</b>	145,959.00	149,220.14
<b>Sales Tax:</b>	<u>6,536.00</u>	<u>6,979.06</u>
<b>Total Bid:</b>	\$245,866.00	\$255,900.00

<b>Bidder:</b>	<u>The Diamond Engineering Co.</u> Grand Island, NE
<b>Bid Security:</b>	Universal Surety Co.
<b>Exceptions:</b>	None

<b>Bid Price:</b>	
<b>Material:</b>	\$109,321.10
<b>Labor:</b>	102,706.23
<b>Sales Tax:</b>	<u>7,652.48</u>
<b>Total Bid:</b>	\$219,679.81



RESOLUTION 2009-62

WHEREAS, the City Electric Department invited sealed bids for Coal Storage Expansion 2009 at Platte Generating Station; and

WHEREAS, on March 3, 2009, bids were received, opened and reviewed; and

WHEREAS, the Diamond Engineering Company of Grand Island, 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 \$219,679.81; and

WHEREAS, the bid of the Diamond Engineering Company of Grand Island, Nebraska is less than the estimate for Coal Storage Expansion at Platte Generating Station.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of the Diamond Engineering Company of Grand Island, Nebraska in the amount of \$219,679.81 for Coal Storage Expansion at Platte Generating Station is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, March 24, 2009.

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Margaret Hornady, Mayor

Attest:

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RaNae Edwards, City Clerk

Approved as to Form	☐ _____
March 20, 2009	☐ City Attorney