



City of Grand Island

Tuesday, July 14, 2009

Council Session

Item G7

**#2009-160 - Approving Bid Award for Boiler Draft Fan Motors -
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: July 14, 2009

Subject: Boiler Draft Fan Motors

Item #'s: G-7

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

Background

The boiler at Platte Generating Station requires a controlled supply of air in its combustion process. The forced draft fan (moves air into the boiler) works along with the induced draft fan (draws exhaust gases out of the boiler) to accomplish this goal. These are large fans which require unique electric motors (1250 and 3000 horsepower, respectively) to drive each of them individually. The current motors are original to plant construction and have been in constant service for 29 years. Should either of these motors fail, operation of the plant would not be possible. Delivery times for new motors are six months. Due to the age and condition of the existing motors, plant staff recommends that replacement motors be obtained with the intent of installing the new motors and refurbishing the existing motors for use as spares. The plant engineering staff developed specifications for the replacement motors.

Discussion

The specifications for the Boiler Draft Fan Motors were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on June 2, 2009. Specifications were sent to eight potential bidders and responses were received as listed below. The engineer's estimate for this project was \$420,000.00.

Bidder	Bid Price	Adjusted Bid Price
Hupp Electric, Inc. (Tatung Motor)	\$337,345.00	\$349,230.15*
Malloy Electric, Inc.	\$378,081.39	\$379,856.42*
Applied Industrial Technologies, Inc.	\$399,827.71	\$399,827.71
Hupp Electric, Inc. (WEG Motor)	\$398,720.00	\$426,000.40*

*Bid price adjusted for sales tax

The bids were reviewed by plant engineering staff. All bids meet the technical requirements of the detailed specifications. The Hupp Electric bid, Tatung Motor Option, was the “as read” low bid. During bid evaluation for sales tax computations, plant staff found the low Hupp bid contained a math error which added labor into the base bid twice. This error was confirmed by using the unit prices included in the bid. The Hupp bid price has been corrected and Nebraska sales tax added for bid comparison purposes. It 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 Boiler Draft Fan Motors to Hupp Electric, Inc. of Cedar Rapids, IA, as the low responsive bidder, in a contract amount of \$349,230.15.

Sample Motion

Move to approve award the contract for Boiler Draft Fan Motors in the amount of \$349,230.15 from Hupp Electric, Inc., for the Boiler Draft Fan Motors as submitted.



Wes Nespor, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: June 2, 2009 at 11:00 a.m.
FOR: Boiler Draft Fan Motors
DEPARTMENT: Utilities
ESTIMATE: \$420,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: May 9, 2009
NO. POTENTIAL BIDDERS: 8

SUMMARY

Bidder:	<u>Applied Industrial Technologies</u> Grand Island, NE	<u>Malloy Electric & Bearing Supply</u> Sioux Falls, SD
Bid Security:	\$20,000.00	\$17,800.00
Exceptions:	None	Noted
Bid Price:		
Material:	\$373,670.76	\$355,006.00
Labor:		
Sales Tax:	26,156.95	23,075.39
Total:	<u>\$399,827.71</u>	<u>\$378,081.39</u>
Price Deduct for Test Reports/ Witness Testing	\$ 23,200.00	\$ 16,520.00
Bidder:	<u>Hupp Electric Motors, Inc.</u> Cedar Rapids, IA	<u>Hupp Electric Motors, Inc.</u> Cedar Rapids, IA
Bid Security:	Developers Surety & Indemnity Co.	Developers Surety & Indemnity Co.
Exceptions:	Noted	Noted
Bid Price:		
Material:	\$328,345.00	\$389,720.00

Labor:	9,000.00	9,000.00
Sales Tax:		
Total:	<u>\$337,345.00</u>	<u>\$398,720.00</u>
Price Deduct for Test Reports/ Witness Testing	\$ 5,700.00	\$ 17,270.00

cc: Gary Mader, Utilities Director
Dale Shotkoski, City Attorney
Jeff Pederson, City Administrator
Rodger Zawodniak, Utilities Dept.

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

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RESOLUTION 2009-160

WHEREAS, the City Electric Department invited sealed bids for Boiler Draft Fan Motors at Platte Generating Station; and

WHEREAS, on June 2, 2009, bids were received, opened and reviewed; and

WHEREAS, Hupp Electric, Inc., of Cedar Rapids, Iowa, 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 \$337,345.00; and

WHEREAS, the Hupp Electric bid did not include sales tax, which amount is \$11,885.15; and

WHEREAS, the bid of Hupp Electric, Inc., is less than the estimate for Boiler Draft Fan Motors 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 Hupp Electric, Inc., of Cedar Rapids, Iowa, in the amount of \$349,230.15 for Boiler Draft Fan Motors is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 14, 2009.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
July 9, 2009 ☐ City Attorney