



City of Grand Island

Tuesday, December 15, 2009

Council Session

Item G13

**#2009-317 - Approving Bid Award - On-Site Technical Advisor for
GT3 Combustion Inspection - Burdick Station**

Staff Contact: Gary R. Mader

Council Agenda Memo

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

Meeting: December 15, 2009

Subject: On-Site Technical Advisor for GT3 Combustion Inspection

Item #'s: G-13

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

Background

Burdick Generating Station utilizes three steam turbines and three gas turbines for electrical generation. Gas Turbine 3 (GT3) is a General Electric Frame 6 turbine generator and was commissioned in 2003. Based on the hours of operation and the number of unit starts, the manufacturer recommends performing a combustion inspection. A combustion inspection includes dismantling and inspection of combustion path components such as fuel nozzles and combustion chambers and is needed to properly ensure proper combustion for unit performance, efficiency, and emission control. It is also used to determine any future repair work based on the manufacturer's recommendations. In performing turbine generator inspections of this scope, the Department utilizes technical advisors specializing in these services. The advisors work with plant management to schedule work activities, order replacement parts, and provide technical guidance to plant maintenance staff during the inspection. Plant staff developed specifications to solicit bids for technical advisors for this work which included requirements of experience and factory training for General Electric Frame 6 gas turbine generator combustion inspections.

Discussion

The specifications for the On-site Technical Advisor for GT3 Combustion Inspection were advertised and issued for bid in accordance with the City purchasing code. Bids were publicly opened on December 1, 2009. Specifications were sent to 16 potential bidders and responses were received as listed below. The engineer's estimate for this project was \$75,000.00.

Bidder	Bid Price
ProEnergy Services, Sedalia, MO	\$18,845.00
Sulzer Turbo Services, La Porte, TX	\$19,260.00
HPI, LLC, Houston, TX	\$27,958.00
GE Energy, Omaha, NE	\$ 42,602.05
Pond and Lucier, Clifton Park, NY	\$46,000.00

The bids were reviewed by plant management staff. The specification required that the bidder provide a reference list of projects of similar scope and complexity. It also required that the advisor must have participated in training by the manufacturer and have experience with similar equipment. The bids from HPI, ProEnergy, and Sulzer did not provide the required experience or training for General Electric Frame 6 combustion inspections. The bids from GE Energy and Pond & Lucier are compliant with specifications and less than the engineer's estimate. GE Energy is the original equipment manufacturer. Plant staff recommends awarding the GT3 combustion inspection technical services contract to GE Energy as the low responsive bid.

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 On-Site Technical Advisor for GT3 Combustion Inspection to GE Energy of Omaha, NE, as the low responsive bidder, in the amount of \$42,602.05.

Sample Motion

Move to approve award of the technical services contract to GE Energy for the On-Site Technical Advisor for GT3 Combustion Inspection.



Wes Nespor, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: December 1, 2009 at 11:00 a.m.
FOR: On-Site Technical Advisor for GT3 Combustion Inspection
DEPARTMENT: Utilities
ESTIMATE: \$75,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: November 19, 2009
NO. POTENTIAL BIDDERS: 16

SUMMARY

Bidder:	<u>ProEnergy Services</u> Sedalia, MO	<u>GE Energy</u> Omaha, NE
Bid Security:	Western Surety Company	Liberty Mutual Insurance Co.
Exceptions:	Noted	Noted

Bid Price:		
Labor:	\$18,845.00	\$39,815.00
Sales Tax:	---	<u>\$ 2,787.05</u>
Total Bid Price:	\$18,845.00	\$42,602.05

Bidder:	<u>Sulzer Turbo Services</u> La Porte, TX	<u>Pond And Lucier</u> Clifton Park, NY
Bid Security:	Vigilant Insurance Co.	\$2,500.00
Exceptions:	Noted	Noted

Bid Price:		
Labor:	\$18,000.00	\$46,000.00
Sales Tax:	<u>\$ 1,260.00</u>	<u>Exception</u>
Total Bid Price:	\$19,260.00	\$46,000.00

Bidder: HPI, LLC
Huston, TX
Bid Security: International Fidelity Ins. Co.
Exceptions: Noted

Bid Price:
Material: \$ 6,958.00
Labor: \$21,000.00
Sales Tax: -----
Total Bid Price: \$27,958.00

cc: Gary Mader, Utilities Director
Dale Shotkoski, City Attorney
Jeff Pederson, City Administrator
Larry Keown, Power Plant Supt.

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

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RESOLUTION 2009-317

WHEREAS, the City Electric Department invited sealed bids for On-Site Technical Advisor for GT3 Combustion Inspection at the Burdick Generating Station; and

WHEREAS, on December 1, 2009, bids were received, opened and reviewed; and

WHEREAS, GE Energy of Omaha, Nebraska, submitted a bid in accordance with the terms of the advertisement for bids and the specifications and all other statutory requirements contained therein, such bid being in the amount of \$42,602.05; and

WHEREAS, the bid of GE Energy is less than the estimate for On-Site Technical Advisor for GT3 Combustion Inspection at Burdick Generating Station.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of GE Energy of Omaha, Nebraska in the amount of \$42,602.05 for On-Site Technical Advisor for GT3 Combustion Inspection at Burdick 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, December 15, 2009.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk