



City of Grand Island

Tuesday, April 13, 2010

Council Session

Item G6

**#2010-98 - Approving Bid Award - Burdick Station Diesel Fuel
Tank and Rogers Reservoir #1 Painting**

Staff Contact: Gary R. Mader

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Dale Shotkoski, City Attorney

Meeting: April 13, 2010

Subject: Burdick Station Diesel Fuel Tank and
Rogers Reservoir #1 Painting

Item #'s: G-6

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

Background

The Utilities Department uses a number of large, steel storage reservoirs for power plant fuel storage and for water storage. Being of steel construction, periodic painting of the surfaces of these reservoirs is required as routine maintenance. The tanks are coated with specialized painting systems to prevent corrosion of the steel shells and the tank support structures, and are regularly inspected for the condition of paint coatings. During inspections last year, two of the storage tanks showed significant deterioration of the exterior surfaces. One of the tanks is at the Burdick Station Power Plant. It is a 460,000 gallon fuel oil storage tank that provides fuel storage for the Gas Turbine generating units there. That tank has not been painted in over 20 years. The second tank needing painting is a 3,000,000 water storage reservoir located at the Rogers Pumping Station on the west side of the City; at the intersection of Old Potash and North Road. That tank was last painted over 15 years ago. The repainting of these two large storage tanks is included in the current Electric and Water Budgets. Power plant staff developed bid specifications for the repainting of the tanks.

Discussion

The specifications for the Burdick Station Diesel Fuel Tank and Rogers Reservoir #1 Painting were advertised and issued for bid in accordance with the City purchasing code. Bids were publicly opened on March 23, 2010. Specifications were sent to 24 potential bidders and responses were received as listed below. The engineer's estimate for this project was \$190,000.00.

Bidder	Bid Price
Mongan Painting Company	\$ 154,748.75
W.S. Bunch Company	\$ 161,217.00
J.R. Stelzer Company	\$ 163,300.00
F & H Coatings	\$ 168,125.38
Taylor's Industrial Coatings	\$ 199,593.96
TMI Coatings	\$ 214,300.00
Superior Industrial Maintenance Co.	\$ 280,397.00
Maguire Iron	\$ 284,739.00

The bids were reviewed by Utility Engineering staff. The contract specification required that each bidder provide a number of administrative and certification documentations with their bid. The "as read" low bidder did not provide a number of those required submittals including; a project schedule, certification from the Steel Structure Painting Council (SSPC) for qualifications as a lead removal contractor (the old paint on the fuel oil tank contains lead), a lead abatement plan in accordance with SSPC standards, five references of like work scale including three with lead paint removal; and a manufacturers warranty for materials used. After several contacts, the required information was not received. Therefore, the "as read" bid from Mongan Painting Company is deemed non-compliant with the specifications. The second low bid from W.S. Bunch Company 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 Burdick Station Diesel Fuel Tank and Rogers Reservoir #1 Painting to W.S. Bunch Company of Omaha, Nebraska, as the low responsive bidder, in a contract amount of \$161,217.00.

Sample Motion

Move to accept the bid of \$161,217.00 from W. S. Bunch Company for the Burdick Station Diesel Fuel Tank and Rogers Reservoir #1 Painting contract.

Purchasing Division of Legal Department
INTEROFFICE MEMORANDUM



Wes Nespor, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: March 23, 2010 at 2:00 p.m.

FOR: Burdick Station Diesel Fuel Tank & Rogers Reservoir 1 Painting

DEPARTMENT: Utilities

ESTIMATE: \$190,000.00

FUND/ACCOUNT: 520

PUBLICATION DATE: March 5, 2010

NO. POTENTIAL BIDDERS: 24

SUMMARY

Bidder:	<u>Superior Industrial Maintenance Co.</u> Harrisburg, NC	<u>Taylor's Industrial Coatings</u> Lake Wales, FL
Bid Security:	Great American Ins. Co.	Old Republic Surety Co.
Exceptions:	None	None

Bid Price:		
Material:	\$178,670.00	\$115,689.84
Labor:	\$ 89,220.00	\$ 76,072.64
Sales Tax:	<u>\$ 12,507.00</u>	<u>\$ 7,831.48</u>
Total Bid:	\$280,397.00	\$199,593.96

Bidder:	<u>F & H Coatings</u> Kechi, KS	<u>TMI Coatings</u> St. Paul, MN
Bid Security:	Nationwide Mutual Ins. Co.	North American Specialty Ins. Co.
Exceptions:	None	None

Bid Price:		
Material:	\$ 35,500.00	\$ 30,000.00
Labor:	\$132,625.38	\$182,200.00
Sales Tax:	<u>---</u>	<u>\$ 2,100.00</u>
Total Bid:	\$168,125.38	\$214,300.00

Bidder: Maguire Iron
Sioux Falls, SD
Bid Security: Great American Ins. Co.
Exceptions: None

Mongan Painting Co.
Cherokee, IA
Merchants Bonding Co.
Noted

Bid Price:
Material: \$ 73,682.80
Labor: \$211,056.20
Sales Tax: ----
Total Bid: \$284,739.00

\$ 35,625.00
\$109,000.00
\$ 10,123.75
\$154,748.75

Bidder: J.R. Stelzer Co.
Lincoln, NE
Bid Security: Merchants Bonding Co.
Exceptions: None

W.S. Bunch Co.
Omaha, NE
United Fire & Casualty Co.
None

Bid Price:
Material: \$ 40,800.00
Labor: \$119,400.00
Sales Tax: \$ 3,100.00
Total Bid: \$163,300.00

\$ 62,107.00
\$ 94,940.00
\$ 4,170.00
\$161,217.00

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

Bob Smith, Assist. Utilities Director
Pat Gericke, Utilities Admin. Assist.
Larry Keown, Burdick Power Plant Supt.

P1405

RESOLUTION 2010-98

WHEREAS, the Utilities Department invited sealed bids for Burdick Station Diesel Fuel Tank and Rogers Reservoir #1 Painting; and

WHEREAS, on March 23, 2010, bids were received, opened and reviewed; and

WHEREAS, W.S. Bunch 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 \$161,217.00; and

WHEREAS, the bid of W. S. Bunch Company of Omaha, Nebraska, is less than the estimate for Burdick Station Diesel Fuel Tank and Rogers Reservoir #1 Painting.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of W.S. Bunch Company of Omaha, Nebraska, in the amount of \$161,217.00, for Burdick Station Diesel Fuel Tank and Rogers Reservoir #1 Painting is hereby approved as the lowest responsible bid.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, April 13, 2010.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
April 8, 2010	☐ City Attorney