



# City of Grand Island

Tuesday, November 23, 2010

Council Session

## Item G9

**#2010-326 - Approving Bid Award for Coal Supply at Platte  
Generating Station for 2011 and 2012**

Staff Contact: Gary R. Mader

# **Council Agenda Memo**

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

**Meeting:** November 23, 2010

**Subject:** Bid Award – 2011 – 2012 Coal Supply,  
Platte Generating Station – Utilities Department

**Item #'s:** G-9

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

## **Background**

The current two year contract for coal supply to Platte Generating Station expires December 31, 2010. Therefore, bids were solicited for continued supply for calendar years 2011 and 2012.

## **Discussion**

The contract specifications for coal supply for calendar years 2011 and 2012 were advertised and published in accordance with the City Procurement Code. Bid documents were sent to five prospective bidders. Three bids were received for the 2011 coal supply, and three bids were received for the 2012 supply.

### **Bid summary for the 2011 supply:**

Alpha Coal Sales:	Declined to bid
Arch Coal Sales:	From the Coal Creek Mine
DTE Coal Services:	Declined to bid
Cloud Peak Energy Resources:	From the Cordero Roho Mine
Peabody Energy:	From the Caballo Mine

### **Bid summary for the 2012 supply:**

Alpha Coal Sales:	Declined to bid
Arch Coal Sales:	From the Coal Creek Mine
DTE Coal Services:	Declined to bid
Cloud Peak Energy Resources:	From the Cordero Roho Mine
Peabody Energy:	From the Caballo Mine

The bids were evaluated for contract compliance and total delivered cost FOB at Platte Generating Station. The lowest cost, compliant bid for 2011 coal supply was received from Arch Coal Sales Company, Inc. And the lowest cost compliant bid for 2012 coal supply was also from Arch Coal Sales. It is recommended that the 2011 and 2012 coal supply contracts 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 2011 and 2012 to Arch Coal Sales Company, Inc., of St. Louis, Missouri.

### **Sample Motion**

Move to approve the 2011 and 2012 Coal Supply Contracts to Arch Coal Sales Company, Inc.

*Purchasing Division of Legal Department*  
**INTEROFFICE MEMORANDUM**



Jason Eley, Purchasing Agent

*Working Together for a  
Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** November 10, 2010

**FOR:** 2011/2012 Coal Supply Agreement

**DEPARTMENT:** Utilities

**FUND/ACCOUNT:** 520

**PUBLICATION DATE:** October 21, 2010

**NO. POTENTIAL BIDDERS:** 5

**SUMMARY OF BIDS RECEIVED**

<b>Bidder:</b>	<u>Arch Coal, Inc.</u> St. Louis, MO	<u>Peabody Energy Corporation</u> St. Louis, MO
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<b>Bidder:</b>	<u>Cloud Peak Energy</u> Broomfield, CO
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cc: Gary Mader, Utilities Director  
Dale Shotkoski, City Attorney  
Jeff Pederson, City Administrator

Bob Smith, Assist. Utilities Director  
Jason Eley, Purchasing Agent  
Pat Gericke, Utilities Admin. Assist.

**P1441**

RESOLUTION 2010-326

WHEREAS, the City Electric Department invited sealed bids for 2011 and 2012 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 November 10, 2010, bids were received and opened; and

WHEREAS, all bids received were evaluated for compliance with the specifications and for delivered cost; and

WHEREAS, Arch Coal Sales Company, Inc., 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 Company, Inc., for the 2011 and 2012 Coal Supply Agreements are approved as the lowest responsive bids submitted.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such contracts 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 23, 2010.

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Margaret Hornady, Mayor

Attest:

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RaNae Edwards, City Clerk

Approved as to Form	☐ _____
November 18, 2010	☐ City Attorney