



City of Grand Island

Tuesday, September 27, 2011

Council Session

Item G10

**#2011-263 - Approving Bid Award for Pipe Painting and
Insulation at Platte Generation Station**

Staff Contact: Tim Luchsinger

Council Agenda Memo

From: Timothy G. Luchsinger, Utilities Director
Jason Eley, Assistant City Attorney

Meeting Date: September 27, 2011

Subject: Pipe Painting and Insulation

Item #'s: G-10

Presenter(s): Timothy Luchsinger, Utilities Director

Background

The project at the Platte Generating Station involves maintenance on several cold water lines ranging in size from 1 inch to 12 inches in diameter. These pipes are used to provide cooling water for equipment throughout the plant. Due to the temperature differential between the cold water in the pipes and the outside warm air during the summer months, humidity in the air condenses on the surface of the pipes causing a thin film of water, or 'sweat', to accumulate. Over the years this moisture has caused the outside of the pipes to begin to rust. Rust is the deterioration of the iron in the pipe due to a reaction with dissolved oxygen in the water, which can lead to complete failure of the pipe. Also, the 'sweat' on the outside of the pipes drips onto the floor during these periods and creates a potential slip hazard for employees. To prevent a complete replacement of these cold water lines in the future at a substantial cost and to assist in avoiding an employee injury, plant engineering staff reviewed corrective methods. After consulting with paint and insulating contractors, it was determined the best method for fixing all aforementioned problems is to clean, paint, insulate, and install metal jacketing on these pipes in accordance with the methods listed in the detailed specifications of this project.

Discussion

The specifications for the Pipe Painting and Insulation were advertised and issued for bid in accordance with the City purchasing code. Bids were publicly opened on September 13, 2011. Specifications were sent to five potential bidders and responses were received as listed below. The engineer's estimate for this project was \$100,000.00.

Bidder	Bid Price
O'Neill Transportation and Equipment LLC, Grand Island, NE	\$ 52,965.00
F&H Insulation Sales & Service, Kechi, KS	\$ 60,276.23

The bids were reviewed by plant engineering staff. The bid from O'Neill Transportation and Equipment, LLC, included sales tax on materials and labor. Sales tax is required only on materials for this application and their bid price was revised accordingly for a total adjusted bid price of \$50,655.00. Both bids are otherwise compliant with the 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 Pipe Painting and Insulation to O'Neill Transportation and Equipment, LLC, of Grand Island, Nebraska, as the low responsive bidder, with the bid price of \$50,655.00.

Sample Motion

Move to approve the bid award of \$50,655.00 from O'Neill Transportation and Equipment for the Pipe Painting and Insulation as submitted.



Jason Eley, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: September 13, 2011 at 2:00 p.m.
FOR: Pipe Painting and Insulation
DEPARTMENT: Utilities
ESTIMATE: \$100,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: August 25, 2011
NO. POTENTIAL BIDDERS: 5

SUMMARY

Bidder:	<u>F & H Insulation Sales & Services, Inc.</u> Kechi, KS	<u>O'Neill Transportation & Equipment</u> Grand Island, NE
Bid Security:	Nationwide Mutual Insurance Co.	Western Surety Co.
Exceptions:	Noted	None
Bid Price:		
Materials:	\$27,571.41	\$16,500.00
Labor:	\$30,774.82	\$33,000.00
Sales Tax:	<u>\$ 1,930.00</u>	<u>\$ 3,465.00</u>
Total Bid:	\$60,276.23	\$52,965.00

cc: Tim Luchsinger, Utilities Director
Jason Eley, Purchasing Agent
Mary Lou Brown, City Administrator

Bob Smith, Assist. Utilities Director
Pat Gericke, Utilities Admin. Assist.
Karen Nagel, Utilities Secretary

RESOLUTION 2011-263

WHEREAS, the City Electric Department invited sealed bids for Pipe Painting and Insulation at the Platte Generating Station; and

WHEREAS, on September 13, 2011, bids were received, opened and reviewed; and

WHEREAS, O'Neill Transportation and Equipment, LLC 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 \$50,655.00; and

WHEREAS, the bid of O'Neill Transportation and Equipment, LLC, is less than the estimate for Pipe Painting and Insulation at the Platte Generating Station.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of O'Neill Transportation and Equipment, LLC, in the amount of \$50,655.00, for Pipe Painting and Insulation 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, September 27, 2011

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
September 21, 2011 ☐ City Attorney