



# City of Grand Island

Tuesday, December 06, 2011

Council Session

## Item G7

**#2011-352 - Approving Bid Award - Low NOx Conversion  
Burners - Platte Generating Station**

Staff Contact: Tim Luchsinger

# **Council Agenda Memo**

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

**Meeting Date:** December 6, 2011

**Subject:** Low NO<sub>x</sub> Conversion Burners

**Item #'s:** G-7

**Presenter(s):** Timothy Luchsinger, Utilities Director

## **Background**

The Environmental Protection Agency (EPA) published a new regulation for power plant air emissions on July 7, 2011, the Cross State Air Pollution Rule (CSAPR), which will replace the current Clean Air Interstate Rule on January 1, 2012. The CSAPR has lowered the annual amount of nitrous oxides (NO<sub>x</sub>) emissions that can be released as a result of the combustion process in the plant boiler, and this lower amount becomes the limiting constraint on the generating output of the Platte Generating Station, about 45% of its maximum capacity. This loss in generating capacity must be replaced by higher cost options of purchasing power from the regional market or using the gas-fueled facilities at Burdick Station. To meet the requirements of the new rule, the plant engineering staff researched methods to reduce the amount of NO<sub>x</sub> released from the boiler, including plant equipment modifications and chemical additions. Installing new low NO<sub>x</sub> burners with separate over-fire air ducts to lower the NO<sub>x</sub> emission rate from the unit was evaluated to be the long-term solution to allow full operating capacity for the plant. Specifications for the Low NO<sub>x</sub> Conversion Burners with separate over-fire air ducts were developed by plant staff and issued for bid in accordance with the City Purchasing Code. These specifications include furnishing and installing all of the combustion system components necessary to lower the NO<sub>x</sub> emissions from the Platte boiler to a rate of 14 #/mmBtu, or about one-fourth of its current permitted rate. These specifications also include computer modeling for design of the new burners and final compliance testing and tuning. The system is planned to be installed during a plant maintenance outage in the last quarter of 2012.

## **Discussion**

Bids were publicly opened on November 17, 2011, at 2:00 p.m. Specifications were sent to four potential bidders and responses were received as listed below. The engineer's estimate for this project was \$4,000,000.

Bidder	Base Bid Price
Babcock Power Services, Inc. Lees Summit, MO	\$ 2,958,859.00
Alstom Power, Inc. Windsor, CT	\$ 4,083,555.00
Fuel Tech Warrenville, IL	\$ 4,645,600.00
Clyde Bergemann Power Group Hanover, MD	\$ 5,941,899.00

The bids and exceptions were reviewed by plant engineering staff. Each bidder also supplied figures for recommended spare parts and an optional air flow and measurement system. Exceptions were noted for each bidder. In order to comply with specification requirements and ensure comparability with the other bidders, the Babcock Power Services bid was adjusted, using pricing included in their bid package, for the addition of a coal pipe analysis, coal mill classifier tuning, distributed control system integration, and spare parts, for an adjusted bid price of \$3,251,444.00. The bid from Babcock Power Services was found to be otherwise compliant with the specifications, less than the engineer's estimate, and exceptions regarding commercial conditions were reviewed by City legal staff and are acceptable.

### **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 Council award the Contract for Low NO<sub>x</sub> Conversion Burners to Babcock Power Services, Inc., of Lees Summit, Missouri, as the low responsive bidder, in the amount of \$3,251,444.00.

### **Sample Motion**

Move to approve the contract for Low NO<sub>x</sub> Conversion Burners to Babcock Power Service, Inc., of Lees Summit, Missouri in the amount of \$3,251,444.00.

Purchasing Division of Legal Department  
**INTEROFFICE MEMORANDUM**



Jason Eley, Purchasing Agent

*Working Together for a  
Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** November 17, 2011 at 2:00 p.m.  
**FOR:** Low NOx Conversion Burner  
**DEPARTMENT:** Utilities  
**ESTIMATE:** \$4,000,000.00  
**FUND/ACCOUNT:** 520  
**PUBLICATION DATE:** November 1, 2011  
**NO. POTENTIAL BIDDERS:** 4

**SUMMARY**

<b>Bidder:</b>	<b><u>Babcock Power Services, Inc.</u></b> Lees Summit, MO	<b><u>Fuel Tech</u></b> Warrenville, IL
<b>Bid Security:</b>	Westchester Fire Ins. Co.	\$242,000.00
<b>Exceptions:</b>	Noted	Noted

<b>Bid Price:</b>		
<b>Material:</b>	\$1,063,047.00	\$1,583,400.00
<b>Labor:</b>	\$1,772,572.00	\$2,951,400.00
<b>Sales Tax:</b>	\$ 123,000.00	\$ 110,800.00
<b>Total Base Bid:</b>	\$2,958,859.00	\$4,645,600.00
<b>Option:</b>	\$ 81,424.00	\$ 596,200.00
<b>Spare Parts:</b>	\$ 58,369.00	\$ 48,000.00

<b>Bidder:</b>	<b><u>Alstom Power, Inc.</u></b> Windsor, CT	<b><u>Clyde Bergemann Power Group</u></b> Hanover, MD
<b>Bid Security:</b>	The Insurance Co. of the State of PA	\$297,095.00
<b>Exceptions:</b>	Noted	Noted

<b>Bid Price:</b>		
<b>Material:</b>	\$1,851,800.00	\$2,557,575.00
<b>Labor:</b>	\$2,231,755.00	\$3,151,141.00

<b>Sales Tax:</b>		<b>\$ 233,183.00</b>
<b>Total Base Bid:</b>	<b>\$4,083,555.00</b>	<b>\$5,941,899.00</b>
<b>Option:</b>	<b>\$772,120.00</b>	<b>\$ 984,360.00</b>
<b>Spare Parts:</b>	<b>TBD</b>	<b>\$ 75,076.00</b>

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

Bob Smith, Assist. Utilities Director  
Pat Gericke, Utilities Admin. Assist.  
Lynn Mayhew, Utility Engineer

**P1515**

RESOLUTION 2011-352

WHEREAS, the City of Grand Island invited sealed bids for Low NOx Conversion Burners, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on November 17, 2011, bids were received, opened and reviewed; and

WHEREAS, Babcock Power Services, Inc., of Lees Summit, Missouri, 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 \$3,251,444.00, including the base bid of \$2,958,859.00, Option #3 (Coal Pipe Analysis) for \$18,069, Option #4 (Classifier Tuning) for \$13,889, Option #6 (Integration into Customer DCS) for \$202,248, and recommended spare parts for \$58,369, including all applicable sales taxes; and

WHEREAS, the bid of Babcock Power Services, Inc., is less than the estimate for the Low NOx Conversion Burners.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Babcock Power Services, Inc., in the amount of \$3,251,444.00, for Low NOx Conversion Burners 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 6, 2011.

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk

Approved as to Form	☐ _____
December 1, 2011	☐ City Attorney