



# City of Grand Island

Tuesday, April 10, 2012

Council Session

## Item G7

**#2012-88 - Approving Bid Award - Turbine Generator Inspection and Repair**

Staff Contact: Tim Luchsinger, Jason Eley

# **Council Agenda Memo**

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

**Meeting:** April 10, 2012

**Subject:** Turbine Generator Inspection and Repair

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

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

## **Background**

A major inspection and overhaul of the turbine generator at the Platte Generating Station is performed every five years. The next overhaul is scheduled for the fall of this year. During this inspection, the turbine generator is completely disassembled and all components are cleaned, inspected, repaired or replaced as necessary. Specifications were developed by the plant maintenance staff to include all labor to open, inspect, clean, and close the turbine and the generator, with the City to supply all parts and materials. Included in the bid are technical support and 800 hours of repair labor for bearings, steam nozzles, turbine rotor blades, and generator parts. The specifications include a composite hourly rate for additions or reductions in the repair labor amount as the amount of actual work is not known until the unit is disassembled and inspected.

## **Discussion**

The specifications for the Turbine Generator Inspection and Repair were issued for bid and responses were received from the following bidders. The engineer's estimate for this project was \$700,000.00.

Bidder	Bid Price
NAES Turbine Services	\$673,799.00
General Electric Co.	\$978,599.00
Power Generation Service, Inc.	\$985,640.00
Magnetech Industrial Services	\$496,338.00
Power Plant Field Services	\$1,003,340.86
TurbinePROs	\$868,570.00
S.T. Cotter Turbine Services, Inc.	\$719,334.83
HPI, LLC	\$825,419.00

Plant staff reviewed the bids for compliance with the City's detailed specifications. The bid of Magnetech is compliant with those specifications and has no exceptions. The Magnetech listed bid of \$456,338.00 was found to have a calculation error and listed additional repair as a separate line item that is to be included in the bid. Their bid with the corrected calculation and repair is \$496,338.00, and is the lowest compliant bidder.

### **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 bid to Magnetech Industrial Services of Saraland, AL as the low responsive bidder, with the bid price of \$496,338.00.

### **Sample Motion**

Move to approve the bid of \$496,338.00, from Magnetech Industrial Services for the Turbine Generator Inspection and Repair as submitted.



Jason Eley, Purchasing Agent

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Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** March 7, 2012 at 2:00 p.m.  
**FOR:** Turbine Generator Inspection & Repair  
**DEPARTMENT:** Utilities  
**ESTIMATE:** \$700,000.00  
**FUND/ACCOUNT:** 520  
**PUBLICATION DATE:** January 24, 2012  
**NO. POTENTIAL BIDDERS:** 14

**SUMMARY**

<b>Bidder:</b>	<b><u>Magnetech Industrial Services</u></b> Saraland, AL	<b><u>General Electric Co.</u></b> Omaha, NE
<b>Bid Security:</b>	<b>\$22,816.90</b>	<b>Fidelity &amp; Deposit Co.</b>
<b>Exceptions:</b>	<b>None</b>	<b>Noted</b>
<b>Bid Price:</b>		
<b>Material:</b>	<b>\$ 35,000.00</b>	<b>---</b>
<b>Labor:</b>	<b>\$390,485.00</b>	<b>\$914,578.00</b>
<b>Sales Tax:</b>	<b>\$ 29,853.00</b>	<b>\$ 64,021.00</b>
<b>Total Bid:</b>	<b>\$456,338.00</b>	<b>\$978,599.00</b>
<b>Bidder:</b>	<b><u>North American Energy Services</u></b> Houston, TX	<b><u>Power Plant Field Services</u></b> Ball Ground, GA
<b>Bid Security:</b>	<b>Western Surety Co.</b>	<b>\$50,000.00</b>
<b>Exceptions:</b>	<b>Noted</b>	<b>None</b>
<b>Bid Price:</b>		
<b>Material:</b>	<b>\$ 66,460.00</b>	<b>\$ 378,485.39</b>
<b>Labor:</b>	<b>\$607,339.00</b>	<b>\$ 559,216.34</b>
<b>Sales Tax:</b>	<b>\$ 420.00</b>	<b>\$ 65,639.13</b>
<b>Total Bid:</b>	<b>\$673,799.00</b>	<b>\$1,003,340.86</b>

<b>Bidder:</b>	<b><u>TurbinePROs</u></b>	<b><u>Power Generation Service, Inc.</u></b>
	<b>Rogers, MN</b>	<b>Anoka, MN</b>
<b>Bid Security:</b>	<b>National Union Fire Ins. Co.</b>	<b>RLI Insurance Co.</b>
<b>Exceptions:</b>	<b>Noted</b>	<b>Noted</b>
<b>Bid Price:</b>		
<b>Material:</b>	<b>---</b>	<b>\$ 7,000.00</b>
<b>Labor:</b>	<b>\$868,570.00</b>	<b>\$977,800.00</b>
<b>Sales Tax:</b>	<b>---</b>	<b>\$ 840.00</b>
<b>Total Bid:</b>	<b>\$868,570.00</b>	<b>\$985,640.00</b>

<b>Bidder:</b>	<b><u>S.T. Cotter Turbine Services, Inc.</u></b>	<b><u>HPI, LLC</u></b>
	<b>Clearwater, MN</b>	<b>Houston, TX</b>
<b>Bid Security:</b>	<b>International Fidelity Ins. Co.</b>	<b>\$42,000.00</b>
<b>Exceptions:</b>	<b>Noted</b>	<b>Noted</b>
<b>Bid Price:</b>		
<b>Material:</b>	<b>---</b>	<b>\$ 41,568.00</b>
<b>Labor:</b>	<b>\$719,334.83</b>	<b>\$729,852.00</b>
<b>Sales Tax:</b>	<b>\$ ---</b>	<b>\$ 53,999.00</b>
<b>Total Bid:</b>	<b>\$719,334.83</b>	<b>\$825,419.00</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 Eng.

**P1533**

RESOLUTION 2012-88

WHEREAS, the City of Grand Island invited sealed bids for Turbine Generator Inspection and Repair at Platte Generating Station, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on March 7, 2012, bids were received, opened and reviewed; and

WHEREAS, Magnetech Industrial Service of Saraland, Alabama 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 \$496,338.00; and

WHEREAS, the bid of Magnetech Industrial Services is less than the estimate for the Turbine Generator Inspection and Repair.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Magnetech Industrial Services in the amount of \$496,338.00 for Turbine Generator Inspection and Repair is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, April 10, 2012.

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk