

COUNCIL ACTION FORM

SUBJECT: REPORT OF BIDS FOR CITY OF AMES ELECTRIC SERVICES POWER PLANT COAL HANDLING SPRINKLER SYSTEM PROJECT PHASE 1

BACKGROUND:

This project is for the installation of a fire suppression system for the Power Plant. The City's insurance carrier, FM Global, has made several loss prevention recommendations for the Power Plant. This system would cover numerous areas within the Plant, and as part of the overall fire protection plan, this project would protect the coal handling mechanisms from the coal pile through the conveyor system and into the coalbunkers and pulverizers. A serious fire in any one of the systems could be catastrophic and could force the outage of either Unit #7 or Unit #8 or the entire Plant. Replacement power during an extended period of time could be extremely costly.

Included in the FY 2007/08 Capital Improvements Plan is \$400,000 from the Electric Utility Fund for this project. The engineer's estimate for this project is \$400,000. This is a multi-year project consisting of three phases. The plans and specifications for this Phase I portion are to generally install water lines and mechanical equipment prior to installation of actual sprinklers.

On February 13, 2008, bids were due. The City received no bids for this project. Twenty-one (21) firms received copies of the plans and specifications for this project. Several bidders indicated their firms were very interested in all or parts of the project. There was some apparent difficulty in getting mechanical contractors to work on this project which resulted in no offers. The consulting engineers from Brown Engineering are currently making inquiries to ascertain the problems. It is the intent of staff to re-evaluate the project for further actions, including the future re-bid of the work.

ALTERNATIVES:

1. The City Council may accept the report of no bids for this project and allow staff to continue to evaluate this project in conjunction with the consulting engineer. Staff will return to Council at a later date with a plan to complete the work.

MANAGER'S RECOMMENDED ACTION:

This work is planned to decrease the danger of a catastrophic fire at the Power Plant. It is also a step that is recommended by the City's insurance carrier.

Therefore, it is the recommendation of the City Manager that the City Council adopts Alternative No. 1, accepting the report of no bids for this project and allows staff to continue to evaluate this project in conjunction with the consulting engineer.