

COUNCIL ACTION FORM

**SUBJECT: APPROVAL OF PLANS AND SPECIFICATIONS AND NOTICE TO
BIDDERS 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.

This project was originally bid in May 2007. On June 12, 2007, City Council rejected the single bid in the amount of \$1,177,700 because the bid exceeded the available funding of \$583,000. The project was revised as a multi-year project consisting of three phases and bids were issued again in January 2008. No bids were received.

The work included in Phase I is generally to install water lines and mechanical equipment prior to installation of actual sprinklers. The bid documents now call for an alternate deduct in Phase I to delete steam inerting which would dampen the coal mills in the event of a fire. The engineer's estimates for this project are:

Phase I	\$410,000	Installation of water lines and mechanical equipment
	<u>125,000</u>	Steam inerting for coal mills
	\$535,000	Phase I total estimate
Phase II	\$540,000	
Phase III	\$150,000	

\$400,000 is included in the revised FY 2007/2008 Capital Improvements Plan for this project. If bids exceed the budget, the steam inerting could be deducted at this time.

Upon City Council approval and receipt of favorable bids, the specifications call for the work to begin on or after September 15, 2008, with Phase I being completed by December 31, 2008.

ALTERNATIVES:

1. Approve the preliminary plans and specifications for the Electric Services Department Coal Handling Sprinkler System Project Phase 1. Set April 23, 2008, as the bid due date and May 13, 2008, as the date of hearing and award of contract.
2. Delay the Electric Services Department Coal Handling Sprinkler System Project Phase I.

MANAGER'S RECOMMENDED ACTION:

This work is necessary in order 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 adopt Alternative No. 1, approving the plans and specifications for the Electric Services Department Coal Handling Sprinkler System Project Phase 1. Set April 23, 2008, as the bid due date and May 13, 2008, as the date of hearing and award of contract.