

**COUNCIL ACTION FORM**

**SUBJECT: REPORT OF BIDS AND AWARD OF CONTRACT 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. Bids were solicited for this project on two previous occasions, the first time with the low bid being over \$1million dollars (and so rejected), and the second time no bids were received.

On April 23, 2008, bids were received for the third time as shown on the attached report. The apparent low bid submitted by Ahern Fire Protection, Davenport, Iowa, is approximately \$200,000 over the budgeted amount. At this time, staff has re-examined the 2007/08 Capital Improvements Plan and determined that approximately \$200,000 is available from the project for GT2 Modifications. Staff will be reducing the GT2 project to cover only engineering/design services at this time, and use the balance in the current project budget to complete the Phase1 Power Plant fire protection.

**ALTERNATIVES:**

1. Award a contract for the Electric Services Department Coal Handling Sprinkler System, Phase I. to Ahern Fire Protection, Davenport, Iowa, in the amount of \$601,241.00.
2. Reject all bids and delay the Electric Services Department Coal Handling Sprinkler System, Phase I.

**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. After three bid solicitations on this work, it is staff's position that this work should be completed in a timely manner and that the current bid from Ahern Fire Protection is reasonable.

Therefore, it is the recommendation of the City Manager that the City Council adopts Alternative No. 1, awarding a contract for the Electric Services Department Coal Handling Sprinkler System, Phase I, to Ahern Fire Protection, Davenport, Iowa, in the amount of \$601,241.00.



**INVITATION TO BID NO. 2008-168  
UNIT POWER PLANT COAL HANDLING FIRE PROTECTION PROJECT**

<b>Company Name of Bidder</b>	<b>Ahern Fire Protection Davenport, Iowa</b>	<b>Continental Fire Sprinkler Co. Omaha, NE</b>		
<b>Bid Security</b>	Yes	Yes		
<b>Phase One Work</b>				
<b>BASE BID</b>	<b>\$676,033.00</b>	<b>\$888,400.00</b>		
<b>Deduct if steam inerting eliminated</b>	<b>(\$74,792.00)</b>	<b>(\$126,655.00)</b>		
<b>Total Phase One minus inerting</b>	<b>\$601,241.00</b>	<b>\$761,745.00</b>		
<b>Phase Two Work</b>				
<b>BASE BID</b>	<b>No Bid</b>	<b>\$878,700.00</b>		
<b>Phase Three Work</b>				
<b>BASE BID</b>	<b>No Bid</b>	<b>\$134,450.00</b>		
<b>Exceptions &amp; Clarifications</b>	None	Yes, deduct \$30,000 sch 40		
<b>Affirmative Action</b>	None	None		
<b>NSPE Permit Form</b>	None	None		
<b>Subcontractors</b>	Accurate Mechanical	ACI Mechanical, Nikkel Elec.		
<b>Site Visit</b>	5-Feb-08	10-May-07		