

COUNCIL ACTION FORM

SUBJECT: POWER PLANT UNIT NO. 8 FEEDWATER HEATER REPLACEMENT

BACKGROUND:

On March 6, 2012, City Council approved preliminary plans and specifications for Unit No. 8 Feedwater Heater Replacement. This project is for a contractor to supply and replace feedwater heaters on Unit 8.

Bid documents were issued to twenty-three potential bidders. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a legal notice was published in the Ames Tribune. The bid was also sent to three plan rooms.

On April 11, 2012, two bids were received as shown below:

Bidder	Alternate 1: 70-30 Cu-Ni Material	Alternate 2: T-22 Material
SPX Heat Transfer, Inc., Bethlehem, PA	\$825,697.00	\$752,007.00
HOLTEC International, Inc., Marlton, NJ	Non-Responsive	

Electric Services staff reviewed the bids. The bid submitted by HOLTEC International, Inc., was found to be non-responsive because bid security was not submitted with its bid.

As a result, only one bid remains and it contains additional terms and conditions that were submitted along with their bid. **Due to the additional terms, staff needs more time to review those terms before a recommendation can be made to Council. The review will ensure that the added conditions do not pose any unnecessary risk to the City.**

ALTERNATIVES:

1. Accept the report of bids and delay award for the Unit 8 Feedwater Heater Replacement.
2. Award a contract to the apparent low bid.
3. Reject all bids and direct staff to rebid.

MANAGER'S RECOMMENDED ACTION:

Given the added terms and conditions submitted by the one response bidder, time for additional analysis is needed. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.