

COUNCIL ACTION FORM

SUBJECT: UNIT 8 GENERATOR REPAIRS/RE-WEDGING STATOR

BACKGROUND:

On July 23, 2013, City Council approved preliminary plans and specifications for the Unit #8 Generator Repairs/Re-wedging Stator. The complete project is to re-wedge the stator and replace connection ring ties in the Unit 8 turbine generator.

Bid documents were issued to twenty-two firms. 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 four plan rooms.

On August 14, 2013, eleven bids were received as shown below:

BIDDER	LUMP SUM PRICE	SALES/USE TAXES INC.	EVALUATED TOTAL
Generator & Motor Services Turtle Creek, PA	\$225,400.00	\$4,600.00**	\$220,800.00
TurboCare, Inc. Houston, TX	\$230,881.00		\$230,881.00
Turbinepros Rogers, MN	\$260,243.00		\$260,243.00
HPI-LLC Houston, TX	\$280,960.00	\$16,040.54	\$264,919.46
Power Plant Services Ball Ground, GA	\$379,319.00	\$24,483.00	\$354,836.00
Power Generation Service, Inc. Anoka, MN	\$360,000.00	\$3,600.00	\$356,400.00
National Electric Coil Company, L.P. Columbus, OH	\$393,020.00		\$393,020.00
NAES Corporation Houston, TX	\$460,289.00	\$30,113.00	\$430,176.00
General Electric International, Inc. Omaha, NE	\$539,664.00		\$539,664.00
Mitsubishi Power Systems America, Inc. Orlando, FL	Non-responsive		
Keystone Specialty Services Company Turtle Creek, PA	Non-responsive		

* Evaluated Totals are less all applicable taxes to ensure fair evaluation of prices, since five bidders are not licensed to collect Iowa sales tax.

**Generator & Motor Services is one of the bidders not licensed to collect Iowa sales tax. Their bid includes use tax only.

After the initial evaluation, staff determined that the bids submitted by Mitsubishi Power Systems America, Inc. and Keystone Specialty Services Company were both non-responsive due to bid security not being submitted along with their bids.

As a result, nine bids remain. The apparent low bidder submitted additional terms and conditions along with its bid. Due to the additional terms, staff needs additional 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 risks to the City.

The engineer's estimate of this project is \$270,811.

The approved FY 2012/13 Budget and Capital Improvements Plan included \$3,500,000 for the turbine generator overhaul, including parts, professional technical assistance, and contractor services. Approximately \$627,000 remains from that budget, which will be carried over to cover the costs associated with this project.

Upon City Council approval and receipt of favorable bids, the work would begin during the 2013 fall outage, which is scheduled to start on or about October 26, 2013.

ALTERNATIVES:

1. Accept the report of bids and delay award for the Unit #8 generator repairs / re-wedging stator.
2. Award a contract to the apparent low bidder.
3. Reject all bids and direct staff to rebid.

MANAGER'S RECOMMENDED ACTION:

This stator re-wedge is critical because, if not completed, the risk of catastrophic failure will increase significantly for the generator. **By choosing Alternative No. 1, staff will have enough time to evaluate the apparent low bidder's submitted terms and conditions to ensure there is minimal risk to the City.**

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.