

COUNCIL ACTION FORM

SUBJECT: **POWER PLANT UNIT #8 STEAM COIL AIR HEATER**

BACKGROUND:

Steam coil air heaters are used to heat the incoming combustion air at the City's Power Plant. This bid is for the purchase of a complete steam coil assembly that will directly replace an existing air heater on the Unit #8 boiler.

On November 15, 2013, an invitation to bid document was issued to fourteen firms. The invitation was advertised on the Current Bid Opportunities section of the Purchasing webpage, and was also sent to two plan rooms.

On December 4, 2013, five bids were received as shown on the attached report.

Staff has reviewed the bids and concluded that the apparent low bid submitted by Advanced Coil Technology, LLC, Owatonna, MN, in the amount of \$110,000 is acceptable. This vendor is not licensed to collect sales taxes for the State of Iowa, so the City will pay applicable Iowa Sales Taxes directly to the State of Iowa.

Funding is available in the approved FY2013/14 Electric Production operating budget.

ALTERNATIVES:

1. Award a contract to Advanced Coil Technology, LLC, Owatonna, MN, for the purchase of Unit #8 Steam Coil Air Heaters in the amount of \$110,000, with applicable sales taxes to be paid directly by the City to the State of Iowa.
2. Reject all bids and delay the purchase of Unit 8 steam coil air heaters.

MANAGER'S RECOMMENDED ACTION:

The purchase of this assembly is critical because the original boiler design requires heated air to improve combustion, and the recommended bid compares very favorably to the other bids received.

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



2014-103 UNIT 8 STEAM COIL AIR HEATER BID SUMMARY

BIDDERS	Lump Sum Price for Complete Steam Coil Assembly as Specified	Sales Tax	Non Taxable Freight	Overall Total	Evaluated Total* (Less Applicable Sales Tax)
Advanced Coil Technology, LLC Owatonna, MN	\$110,000.00		\$1,200.00	\$111,200.00	\$111,200.00
Affiliated Steam Equipment Co. Davenport, IA	\$127,827.00	\$8,947.89		\$136,774.89	\$127,827.00
Pingel Exchanger Service, Inc. Pevely, MO	\$153,111.00	\$10,717.77	\$600.00	\$164,428.77	\$153,711.00
Surefin Coils, LLC Fort Mill, SC	\$159,464.00			\$159,464.00	\$159,464.00
Pinnacle Air Pollution Control, Inc. Valencia, PA	\$173,000.00		\$1,400.00	\$174,400.00	\$174,400.00
* This column included since three of the bidder's are not licensed to collect Iowa sales tax.					