

**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT DIESEL GENERATOR REMOVAL & BUILDING  
DEMOLITION AND SUBSTATION REMOVAL**

**BACKGROUND:**

This project is for contracting with a demolition/heavy haul contractor to relocate the retired diesel generator, demolish and dispose of the building and contents, and remove and dispose of the electrical equipment adjacent and west of the diesel building located at the Power Plant. The retired diesel generator is located in a brick building just west of the Power Plant's cooling towers. The building is deteriorating and needs to be removed for safety concerns and to make room for the upcoming Cooling Tower Replacement project. All of the work for this project must be completed by July 26, 2015 to prevent delays in the Cooling Tower Replacement project.

Bid documents were issued to twenty-five companies. The bid was also advertised on the Current Bid Opportunities section of the Purchasing webpage and was sent out to one plan room.

On February 18, 2015, one bid was received as shown below:

Peterson Contractors, Inc., Reinbeck, IA	\$130,000
Engineer's Estimate	\$ 80,000

Staff reviewed the bid received by Peterson Contractors, Inc. and concluded that it was acceptable. Staff was concerned as to why only one bid was received for this project, so staff contacted some of the plan holders to learn why they did not submit a bid. Several of them stated that they are already booked up for spring and could not submit a bid at this time.

Funding for this work will come from the approved FY2014/15 Electric Production operating budget, which contains \$130,000 in the Unit No. 8 Steam Turbine Generator Maintenance.

**ALTERNATIVES:**

1. Award a contract to Peterson Contractors, Inc., Reinbeck, IA, for the Diesel Generator Removal & Building Demolition & Substation Removal in the amount of \$130,000.
2. Reject the single bid received, which will delay this project and could negatively impact the upcoming Cooling Tower Replacement project.

**MANAGER'S RECOMMENDED ACTION:**

The diesel building is deteriorating and needs to be removed for safety concerns and to make room for the Cooling Tower Replacement project scheduled to start by mid-August. Staff is aware that the bid price is substantially greater than Engineer's Estimate, but are concerned that rebidding this project might result in no bids being received, thereby negatively impacting the Cooling Tower Replacement project.

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