

COUNCIL ACTION FORM

SUBJECT: PROJECT TO RETURN GAS TURBINE 1 TO SERVICE – REPORT OF BIDS

BACKGROUND:

On January 29, 2015, City Council approved preliminary plans and specifications for the GT1 Return to Service Project. The work to return GT1 to service is divided into the following three scopes of work categories:

- 1) Repair of the original engine or replacement with a refurbished engine, the repair or replacement of the engine's support equipment (damaged by the failure of the engine's 1st stage compressor), the restoration of the engine's control system, and the installation of the engine along with the necessary connections for it to be ready to operate. The Engineer's estimate for this scope is \$1,200,000 most of which should be covered by insurance, subject to the adjuster's review.
- 2) Repair or replacement of the inlet sound attenuation enclosure, plus replacement of the evaporative cooler. The evaporative cooler is a system that cools the air entering the engine, making the air denser. The greater the density of the air, the greater the amount of air the engine can compress and convert into thrust, which results in greater engine output. This work is not part of the insurance claim. The Engineer's estimate for this scope is \$670,000. This work, while not directly related to the failure, has been planned in the Capital Improvements Plan (CIP) since 2011, and would have been needed even had the unit not failed.
- 3) Repair and/or replacement of the engine's exhaust plenum and silencer. This work is not part of the insurance claim. The Engineer's estimate for this scope is \$210,000. This work also had been planned in the CIP, and would have been needed even without the failure.

Bid documents were issued to fourteen companies. 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 two plan rooms. The Engineer's overall cost estimate for this project is \$2,080,000.

Since the bid document was subdivided into three separate bids based on the aforementioned three scopes of service, the award recommendation may be to three separate firms.

On March 12, 2015, four bids were received as shown on the attached report. The specifications and bids are quite complex, and staff feels that additional time is

needed to evaluate each bid in order to recommend an award that best meets the City's needs.

This overall project will be financed with \$1,500,000 for the GT1 Engine Replacement and Generator/Turbine Inspection and Overhaul project in the FY 2014/15 CIP, with \$300,000 from the Evaporator Cooler on GT1 project in the FY 2013/14 CIP, and with the anticipated insurance proceeds.

ALTERNATIVES:

1. a. Accept the report of bids and delay award for Bid No.1 Gas Generator.
b. Accept the report of bids and delay award for Bid No. 2 Inlet Air System.
c. Accept the report of bids and delay award for Bid No. 3 Exhaust System.
2. Award a contract to the apparent low bidders
3. Reject all bids and direct staff to rebid.

MANAGER'S RECOMMENDED ACTION:

Staff needs additional time to fully evaluate the bids before recommending action by the City Council.

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



ITB 2015-148 GT1 RETURN TO SERVICE PROJECT BID SUMMARY

BID NO. 1 GAS GENERATOR				
BIDDER:	Turbo Services, Inc. Margate, FL	MMC Contractors National, Inc. Kansas City, MO	Wood Group Pratt & Whitney Bloomfield, CT	Worldwide Turbines Boca Raton, FL
BASE:				
ALTERNATIVE 1: REPAIR Repair existing GG1 as specified.			\$1,185,000.00	\$985,000.00
Sales and/or Use taxes included in LS Cost			Not licensed	Not licensed
ALTERNATIVE 2: REPLACE Replace GG1 with a reconditioned gas generator as specified.	\$900,000.00	\$1,649,400.00	\$985,000.00	\$985,000.00
Sales and/or Use taxes included in LS Cost	Not licensed	\$72,042.00	Not licensed	Not licensed
OPTIONS:				
Fuel manifold replacement cost	\$200,000.00	\$245,600.00	\$14,950.00	\$225,000.00
Cost for performing 2nd Performance Test for Guarantee Case #2	\$16,000.00	\$19,600.00	\$12,650.00	\$42,500.00
Deduct for Gas Generator core and auxiliaries for ALTERNATIVE 2	(-\$165,000.00)	(-\$202,700.00)	(-\$50,000.00)	(-\$15,000.00)
Deduct on Bid No. 1 ALTERNATIVE 1 if Bid No.'s 1, 2 and 3 are awarded as package to one bidder				
Deduct on Bid No. 1 ALTERNATIVE 2 if Bid No.'s 1, 2 and 3 are awarded as package to one bidder		(-\$412,700.00)		
Deduct on Bid No. 1 ALTERNATIVE 1 if Bid No.'s 1 and 2 are awarded as package to one bidder and Bid No. 3 awarded to a separate bidder				
Deduct on Bid No. 1 ALTERNATIVE 2 if Bid No.'s 1 and 2 are awarded as package to one bidder and Bid No. 3 awarded to a separate bidder		(-\$180,310.00)		
Deduct on Bid No. 1 ALTERNATIVE 1 if Bid No.'s 1 and 3 are awarded as package to one bidder and Bid No. 2 awarded to a separate bidder				
Deduct on Bid No. 1 ALTERNATIVE 2 if Bid No.'s 1 and 3 are awarded as package to one bidder and Bid No. 2 awarded to a separate bidder		(-\$180,310.00)		
BID NO. 2 INLET AIR SYSTEM				
BIDDER:		MMC Contractors National, Inc. Kansas City, MO		Universal Acoustic & Emission Technologies, Inc. Stoughton, WI
BASE:				
Refurbish and/or replace <u>entire</u> inlet air system as specified.		\$1,095,900.00		\$962,280.99
Sales and/or Use taxes included in LS Cost		\$35,734.00		\$62,079.99
OPTIONS:				
Deduct on Bid No. 2 if Bid No.'s 1, 2 and 3 are awarded as package to one bidder		(-\$412,700.00)		
Deduct on Bid No. 2 if Bid No.'s 1 and 2 are awarded as package to one bidder and Bid No. 3 awarded to a separate bidder		(-\$180,310.00)		
Deduct on Bid No. 2 if Bid No.'s 2 and 3 are awarded as package to one bidder and Bid No. 1 awarded to a separate bidder		(-\$180,310.00)		(-\$6,000.00)
BID NO. 3 EXHAUST SYSTEM				
BIDDER:		MMC Contractors National, Inc. Kansas City, MO		Universal Acoustic & Emission Technologies, Inc. Stoughton, WI
BASE:				
Replace entire existing exhaust system as specified.		\$612,900.00		\$536,148.24
Sales and/or Use taxes included in LS Cost		\$17,897.00		\$34,302.24
OPTIONS:				
Deduct on Bid No. 3 if Bid No.'s 1, 2 and 3 are awarded as package to one bidder				
Deduct on Bid No. 3 if Bid No.'s 1 and 3 are awarded as package to one bidder and Bid No. 2 awarded to a separate bidder				
Deduct on Bid No. 3 if Bid No.'s 2 and 3 are awarded as package to one bidder and Bid No. 1 awarded to a separate bidder				(-\$6,000.00)