

**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT UNIT #7 CRANE REPAIR – REPORT OF BIDS**

**BACKGROUND:**

On April 28, 2015, City Council approved preliminary plans and specifications for repair of the Power Plant's Unit #7 Crane. This project is for materials, equipment, and labor necessary for the installation of equipment related to the renovation of the crane.

Bid documents were issued to ten 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 estimated cost for this project is \$302,500.

On June 10, 2015, two bids were received as shown below.

<b>Bidder</b>	<b>Lump Sum Bid</b>	<b>Sales and/or Use taxes included in Lump Sum</b>
Kistler Crane and Hoist Omaha, NE	\$373,360.45	\$24,425.45
MHC Systems, LLC Urbandale, IA	\$400,360.00	\$25,930.00

**Staff feels that additional time is needed to evaluate each bid in order to recommend an award that best meets the City's needs.**

The 2014/15 CIP contains \$209,110 for this project. Part of the crane repair is necessary to accommodate height clearance requirements for the new Control Room. Additional funding to cover the cost of these repairs can come from savings in budgeted amounts for the Unit #7 and #8 Fuel Conversion CIP project.

**ALTERNATIVES:**

1. Accept the report of bids and delay award for the Unit #7 Crane Repair.
2. Award a contract to the apparent low bidder.
3. Reject all bids. This action will delay the repair, which could eventually render the crane unreliable and potentially unsafe to operate.

**MANAGER'S RECOMMENDED ACTION:**

This crane is critical plant equipment used in completing major work on the Unit #7 turbine/generators. By delaying award of this bid, staff will have adequate time to fully evaluate each bid 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.