

**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT UNIT #7 CRANE REPAIR**

**BACKGROUND:**

On April 28, 2015, City Council approved preliminary plans and specifications for the Unit #7 Crane Repair. This project is for materials, equipment, and labor necessary for the installation of equipment related to the renovation of the Unit #7 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 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 reviewed the bids and concluded that the apparent low bid submitted by Kistler Crane and Hoist, Omaha, NE, in the amount of \$373,360 (inclusive of Iowa sales tax) is acceptable.

The 2014/15 CIP contains \$204,519 for this project. Since the budget was determined for the project, a scope change was made which partially explains the difference between engineer's estimate and the size of the bids. Originally, the crane cab was going to be abandoned in-place. Now, to accommodate height clearance requirements for the new Control Room, the crane cab must be removed. Additional funding to cover the \$168,841 shortfall will come from savings in budgeted amounts for the Unit #7 and #8 Cooling Tower Replacement CIP project, estimated to be \$1,018,671.

**ALTERNATIVES:**

1. Award a contract to Kistler Crane and Hoist, Omaha, NE, for the Unit #7 Crane Repair in the amount of \$373,360.45 (inclusive of Iowa sales tax).

2. Award a contract to MHC Systems, LLC of Urbandale, Iowa for the Unit #7 Crane Repair in the amount of \$400,360.
3. Reject all bids which will delay the repair which could eventually render the crane unreliable and potentially create unsafe crane operation.

**MANAGER'S RECOMMENDED ACTION:**

The crane is critical plant equipment used in completing major work on the turbine/generators. In addition, while the cab remains on the crane, the Control Room Addition will be delayed, effecting the power plant conversion. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.