

COUNCIL ACTION FORM

**SUBJECT: POWER PLANT FUEL CONVERSION – MECHANICAL INSTALLATION
GENERAL WORK CONTRACT – REPORT OF BIDS**

BACKGROUND:

In November 2013 the City Council voted to convert the City’s Power Plant from coal to natural gas. Implementing this decision requires a significant amount of engineering, installation of equipment, and modification and construction in the Power Plant.

On June 23, 2015, City Council approved preliminary plans and specifications for the Mechanical Installation General Work Contract. **This specific phase of the conversion project is to hire a contractor to perform the mechanical installation work.**

Bid documents for this project were issued to fifty-one 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 four planrooms. The Engineer’s estimate of the cost for this phase of the project is \$5,115,000.

On July 23, 2015, ten bids were received as shown below.

BIDDER	LUMP SUM PRICE
TEI CONSTRUCTION SERVICES, INC DUNCAN, SC	\$1,572,019.00
RAGAN MECHANICAL, INC DAVENPORT, IA	\$1,821,396.00
CAPITAL CITY BOILER & MACHINE WORKS, INC. DES MOINES, IA	\$1,865,450.00
8760 SERVICE GROUP, LLC SEDALIA, MO	\$1,987,302.68
AZCO INC. APPLETON, WI	\$2,586,800.00
SAULSBURY INDUSTRIES, INC FARMERS BRANCH, TX	\$3,157,319.00
JAMAR COMPANY GREEN BAY, WI	\$3,904,092.00
PROENERGY SERVICES, LLC SEDALIA, MO	\$3,979,344.46
ASSOCIATED MECHANICAL INC. OLATHE, KS	\$4,357,738.00
FRANK LILL AND SON, INC. WEBSTER, NY	\$4,779,978.00

The specifications and bids are quite complex, and Electric Services staff feels

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

These costs will be covered from funding identified in the approved FY 2015/16 Capital Improvements Plan, which includes \$26,000,000 for the Unit 7 and Unit 8 fuel conversion.

ALTERNATIVES:

1. Accept the report of bids and delay award for the Mechanical Installation General Work Contract.
2. Award a contract to the apparent low bidder.
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.