

COUNCIL ACTION FORM

SUBJECT: POWER PLANT FUEL CONVERSION – AWARD OF UPS (UNINTERRUPTIBLE POWER SUPPLY) SYSTEM

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 July 28, 2015, City Council approved preliminary plans and specifications for the Power Plant Fuel Conversion – UPS System. **This specific phase of the conversion project is to purchase a new Uninterruptible Power Supply (UPS) system.**

Bid documents for this project were issued to twenty-eight 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 one planroom.

On August 26, 2015, two bids were received as shown below.

BIDDER	LUMP SUM BID PRICE
Graybar Electric Des Moines, IA	\$98,560.00
RACOM Corporation Marshalltown, IA	\$121,991.35

Staff reviewed the bids and concluded that the apparent low bid submitted by Graybar Electric, Des Moines, IA in the amount of \$98,560.00 (inclusive of Iowa sales tax) is acceptable.

The Engineer’s estimate of the cost for this phase of the project is \$116,000. 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. The overall project budget and commitments to date are summarized on page 3.

ALTERNATIVES:

1. Award a contract to Graybar Electric, Des Moines, IA for the Power Plant Fuel Conversion – UPS System in the amount of \$98,560.00 (inclusive of Iowa sales tax)
2. Reject all bids and delay the purchase of the UPS system.

MANAGER'S RECOMMENDED ACTION:

This conversion is needed in order for the Power Plant to remain in compliance with state and federal air quality regulations. The purchase of this UPS system will provide enough capacity to meet the new systems power requirements.

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

PROJECT BUDGET

The overall project budget and commitments to date are summarized below. To date, the project budget has the following items encumbered:

\$26,000,000	FY 2015/16 CIP amount budgeted for project
\$1,995,000	Encumbered not-to-exceed amount for Engineering Services
\$2,395,000	Engineering Services Contract Change Order No. 1
\$174,000	Engineering Services Contract Change Order No. 2
\$3,355,300	Contract cost for Natural Gas Conversion Equipment
\$29,869	Equipment Contract Change Order No. 1
(-\$321,600)	Equipment Contract Change Order No. 2
(-\$51,000)	Equipment Contract Change Order No. 3
\$1,595,000	Contract cost for DCS equipment
\$1,001,240	Contact cost for TCS equipment
\$925,000	Estimated cost for Control Room Installation General Work Contract
\$5,115,000	Estimated cost for Mechanical Installation General Work Contract
\$3,272,793	Estimated cost for Electrical Installation General Work Contract
\$98,560	Contract cost for UPS System (this agenda item)
<u>\$19,584,162</u>	Costs committed to date for conversion
\$6,415,838	Remaining Project Balance to cover miscellaneous equipment and modifications to the power plant needed for the fuel conversion