

## **COUNCIL ACTION FORM**

**SUBJECT: AWARD OF CONTRACT FOR POWER PLANT PRECIPITATOR WIRE REPLACEMENT PROJECT**

### **BACKGROUND:**

On August 10, 2010, City Council approved preliminary plans and specifications for the Precipitator Wire Replacement. This project is for the replacement of electrode wires in the front two fields in both the 81 and 82 precipitator levels of the Unit #8 precipitator. The precipitator has 2 levels, with 4 fields on each level. Only the front 2 fields of each of the levels are being replaced at this time. The first 2 fields do most of the work of collecting the particulate matter, and experience the most wear over time.

The precipitator creates an electric charge field that collects the particulate matter (fly ash) from the flue gas as it passes through the device. The electrode wires in a precipitator are a consumable item and need to be replaced periodically to maintain the collection efficiency of the precipitator. The project will be completed during a maintenance shutdown scheduled for March or April of 2011. The Contractor will perform an inspection of the precipitator at the beginning of the shutdown, supply 2,578 wires (50 of the wires supplied will go directly into inventory), and install the wires.

Bid documents were issued to twenty potential bidders. 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 plan room.

On September 15, 2010, six bids were received as shown on the attached report. Electric Services staff reviewed the bids. The bid submitted by Whitehead Construction was found to be non-responsive because bid security was not submitted with its bid. Staff concluded that the apparent low bid in the amount of \$60,000 submitted by USCC, Inc., Elizabethton, TN, is acceptable. USCC, Inc. is not licensed to collect sales taxes for the State of Iowa. The City of Ames would pay applicable Iowa Sales Taxes directly to the State of Iowa.

The current Engineer's estimate of the cost of the repair is \$132,000. The approved FY 2010/2011 operating budget for the Power Plant contains \$90,000 for this project.


### **ALTERNATIVES:**

1. Award a contract to USCC, Inc., Elizabethton, TN, for the Precipitator Wire Replacement in the amount of \$60,000, plus applicable sales taxes to be paid directly by the City of Ames to the State of Iowa.
2. Reject all bids and delay the precipitator wire replacement.

**MANAGER'S RECOMMENDED ACTION:**

The replacement of wires in the Unit #8 precipitator is necessary to insure its reliable operation and to help prevent any equipment failures which could lead to extensive downtime and increased costs. Failure to replace these wires over time would negatively impact the removal of particulates from the Unit 8 exhaust. For the greatest level of environmental stewardship, the City should complete this wire replacement as soon as possible.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract to USCC, Inc., Elizabethton, TN, for the Precipitator Wire Replacement in the amount of \$60,000, plus applicable sales taxes to be paid directly by the City of Ames to the State of Iowa. Sales taxes are estimated to be approximately \$4,200.

	<b>INVITATION TO BID NO. 2011-012 PRECIPITATOR WIRE REPLACEMENT</b>		
<b>BUDGET: \$90,000</b>			
<b>BIDDER</b>	<b>BASE</b>	<b>SALES/USE TAXES INC.</b>	<b>EVAL. TOTAL *</b>
USCC, Inc., Elizabethton, TN	\$60,000.00	Not Licensed	\$61,540.00
F.L. Smidth Airtech, Inc., Bethlehem, PA	\$73,150.00	\$1,515.00	\$74,655.00
Performance Contracting, Inc., Lenexa, KS	\$95,491.00	\$1,739.00	\$97,230.00
Southern Environmental, Pensacola, FL	\$165,533.00	Not Licensed	\$167,950.00
AZCO INC, Appleton, WI	\$346,636.00	\$1,949.00	\$348,585.00
Whitehead Construction, Inc., Elizabethton, TN	<b>NON-RESPONSIVE</b>		
<b>* Evaluated Total is inclusive of all applicable taxes to insure fair evaluation of prices since two bidders are not licensed to collect taxes .</b>			