

**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT UNIT 7 CIRCULATING WATER PIPE REHABILITATION**

**BACKGROUND:**

On September 13, 2011, the City Council approved preliminary plans and specifications for the Unit 7 Circulating Water Pipe Rehabilitation.

Bid documents were issued to fourteen 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.

On October 12, 2011, two bids were received as shown below:

L & P Painting, Cedar Rapids, IA	\$155,072
TMI Coatings, Inc., St. Paul, MN	\$190,000

Staff concluded that the apparent low bid submitted by L & P Painting, Cedar Rapids, IA, in the amount of \$155,072 is acceptable.

The approved 2011/12 budget and Capital Improvements Plan contain \$500,000 for this project.

**ALTERNATIVES:**

1. Award a contract to L & P Painting, Cedar Rapids, IA, for the Unit 7 Circulating Water Pipe Rehabilitation in the amount of \$155,072.
2. Reject all bids and delay the repair of the Unit 7 circulating water pipe.

**MANAGER'S RECOMMENDED ACTION:**

Failure to impede the deterioration of the piping will put the reliability of Unit #7 at risk, and it is essential to return this pipe to a status of providing safe, reliable, and leak free operation. Otherwise, Unit 7 will experience future forced shutdowns for repair and lost generation opportunities. Leaks could also occur under concrete foundations which could cause extensive damage and additional costly repairs.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract to L & P Painting, Cedar Rapids, IA, for the Unit 7 Circulating Water Pipe Rehabilitation in the amount of \$155,072.