

COUNCIL ACTION FORM

SUBJECT: POWER PLANT UNIT 8 AIR HEATER BASKET INSTALLATION

BACKGROUND:

On December 13, 2011, City Council approved preliminary plans and specifications for Power Plant Unit 8 Air Heater Baskets Installation. This project involves the purchase and installation of baskets and associated materials that need to be replaced in the regenerative air heaters.

Bid documents were issued to twenty-three 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 January 11, 2012, eight bids were received as shown on the attached report. Electric Services staff reviewed the bids and concluded that the apparent low bid submitted by Plibrico Company, LLC, Omaha, NE, in the amount of \$29,182.00 is acceptable. The Engineer's estimate of the total installed cost of this project is \$165,000. Council may recall that the materials portion of the project was recently awarded at a cost of \$95,962.

The approved FY 2011/12 budget and Capital Improvements Plan includes \$150,000 for the Unit 8 Air Heater Basket Replacement project. This includes \$100,000 for the materials and \$50,000 for the installation.

ALTERNATIVES:

1. Award a contract to Plibrico Company, LLC, Omaha, NE, for the Unit 8 Air Heater Baskets Installation in the amount of \$29,182.00.
2. Reject all bids and delay the replacement of the air heater baskets.

MANAGER'S RECOMMENDED ACTION:

Air heater baskets are subject to long term corrosion due to exhaust gas and operating conditions. Periodic replacement is required in order to maintain operability and high efficiency. Poorly maintained air heater baskets increase costs for the utility, and there is a significant risk of damage to the downstream fans, ductwork and stacks.

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



**INVITATION TO BID NO. 2012-082 UNIT 8 AIR
HEATER BASKET INSTALLATION BID SUMMARY**

BIDDER	Lump Sum Cost	Sales and/or Use Taxes Included in Amount
Plibrico Company, LLC Omaha, NE	\$29,182.00	\$1,675.00
Capital City Boiler & Machine Works, Inc. Des Moines, IA	\$79,272.60	\$5,192.60
AZCO, Inc. Menasha, WI	\$86,800.00	\$743.00
Enerfab Kansas City, MO	\$113,581.00	\$6,651.00
NAES Power Contractors Cranberry Township, PA	\$140,095.00	\$2,187.00
Associated Mechanical, Inc. Olathe, KS	\$147,000.00	\$9,617.00
Hayes Mechanical Omaha, NE	\$149,446.00	\$9,762.00
Moorehead Machinery & Boiler Company Minneapolis, MN	\$153,700.00	\$8,700.00
Ragan Mechanical, Inc. Davenport, IA	\$193,225.00	\$1,000.00