ITEM # ___10__
DATE: 09-10-13

COUNCIL ACTION FORM

SUBJECT: POWER PLANT UNIT 8 GENERATOR REPAIRS / RE-WEDGING STATOR

BACKGROUND:

On July 23, 2013, City Council approved preliminary plans and specifications for the Unit 8 Generator Repairs/Re-wedging Stator. The complete project is to re-wedge the stator and replace connection ring ties in the Unit 8 turbine generator.

Council may recall that the Unit 8 turbine and generator had a major overhaul in the spring of 2013. During that overhaul, generator testing was performed, and the results indicated loose wedges and increased "greasing" in critical locations within the generator. It was recommended by the testing firm that the City re-wedge the stator and replace connection ring ties in the near future. Unfortunately, that work could not be completed during the recent outage due to unavailability of generator repair crews. Based on the recommendation of General Electric, the original equipment manufacturer, the unit was reassembled and could be operated safely. However, it was recommended that the re-wedging be accomplished within the next two years. **Therefore, staff's recommendation was to perform the work during the next planned outage scheduled for this fall.**

Bid documents were issued to twenty-two firms. 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 plan rooms. The engineer's estimated cost of this project was $270,811.

On August 14, 2013, eleven bids were received as shown below:

BIDDER	LUMP SUM PRICE	SALES/USE TAXES INC.	EVALUATED TOTAL
Generator & Motor Services Turtle Creek, PA	$225,400.00	$4,600.00**	**$220,800.00**
TurboCare, Inc. Houston, TX	$230,881.00		**$230,881.00**
Turbinepros Rogers, MN	$260,243.00		**$260,243.00**
HPI-LLC Houston, TX	$280,960.00	$16,040.54*	**$264,919.46**
Power Plant Services Ball Ground, GA	$379,319.00	$24,483.00*	**$354,836.00**

Power Generation Service, Inc. Anoka, MN	$360,000.00	$3,600.00*	**$356,400.00**
National Electric Coil Company, L.P. Columbus, OH	$393,020.00		**$393,020.00**
NAES Corporation Houston, TX	$460,289.00	$30,113.00*	**$430,176.00**
General Electric International, Inc. Omaha, NE	$539,664.00		**$539,664.00**
Mitsubishi Power Systems America, Inc. Orlando, FL	Non-responsive		
Keystone Specialty Services Company Turtle Creek, PA	Non-responsive		
* Evaluated Totals are less all applicable taxes to ensure fair evaluation of prices, since five bidders are not licensed to collect Iowa sales tax. **Generator & Motor Services is one of the bidders not licensed to collect Iowa sales tax. Their bid includes use tax only.			

After the initial evaluation, staff determined that the bids submitted by Mitsubishi Power Systems America, Inc. and Keystone Specialty Services Company were both non-responsive due to bid security not being submitted along with their bids.

As a result, nine bids remained for further evaluation. Staff reviewed the remaining bids and concluded that the apparent low bid submitted by Generator & Motor Services, Turtle Creek, PA, in the amount of $225,400 is acceptable. This amount is inclusive of use tax only, so the City will pay applicable sales tax directly to the State of Iowa.

The approved FY 2012/13 Budget and Capital Improvements Plan included $3,500,000 for the turbine generator overhaul, including parts, professional technical assistance, and contractor services. Funds in the amount of $627,387.74 remain from that budget, which will be carried over to cover the costs associated with this project.

ALTERNATIVES:

1. Award a contract to Generator & Motor Services, Turtle Creek, PA, for the Unit 8 generator repairs / re-wedging stator in the amount of $225,400.

2. Reject all bids and do not undertake this project at this time.

MANAGER'S RECOMMENDED ACTION:

This stator re-wedge work is critical because, if not completed, the risk of catastrophic failure will increase significantly for the Unit 8 generator.

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