

COUNCIL ACTION FORM

**SUBJECT: POWER PLANT UNIT 8 TURBINE GENERATOR OVERHAUL
PROJECT - REPORT OF BIDS**

BACKGROUND:

On June 23, 2020 the City Council approved plans and specifications for the Unit 8 Turbine Generator Overhaul Project. The Unit 8 Turbine Generator is scheduled to be disassembled, inspected, and repaired at the same time as the Unit 8 Boiler Repair Project. This work is required to replace worn parts and inspect the turbine and generator for repairs that may be needed to prevent unplanned turbine/generator outages, prevent costly turbine/generator damage, and increase turbine/generator reliability.

Repairs and replacement of worn parts will be completed as the inspection progresses. Experience has shown that certain parts require replacement every major overhaul and some parts become unusable during the disassembly process. This overhaul and parts replacement are required and recommended by boiler and machinery insurance carriers and follows accepted industry standards. **This bid is for labor and materials for the inspection and repairs on Unit 8 Turbine Generator. There was a separate bid for spare parts that are made available to the contractor for this repair.**

Bid documents were issued to sixty-three firms and five plan rooms. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published on the websites of a contractor plan room service with statewide circulation and the Iowa League of Cities.

On August 12, 2020, seven bids were received as shown on the attached report. The specifications and bids are complex, and staff feels that additional time is needed to evaluate each bid in order to recommend an award that best meets the City's needs.

The Engineer's estimate for the cost of the total project is \$2,488,000.

The approved Capital Improvements Plan includes the following funding for the Unit 8 Turbine Generator Overhaul.

2019/20 Materials/Parts	\$1,000,000
2019/20 Construction	1,650,000
2019/20 GE Tech Support	350,000
TOTAL	\$3,000,000

ALTERNATIVES:

1. Accept the report of bids and delay award for the Unit 8 Turbine Generator Overhaul Project until power plant staff is able to perform a thorough review and determine a recommended company to award the contract to.
2. Award a contract to the apparent low bid.
3. Reject all bids and direct staff to rebid.

CITY MANAGER'S RECOMMENDED ACTION:

Staff needs additional time to fully evaluate the bids before recommending action by the City Council. By choosing alternative No. 1, staff will have enough time to evaluate each bid to ensure the City receives these services at the best price.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.