

ITEM: 37  
DATE: 02-14-23  
DEPT: Electric

**COUNCIL ACTION FORM**

**SUBJECT: UNIT 8 ELECTROSTATIC PRECIPITATOR INSULATION & LAGGING  
REPORT OF BIDS**

**BACKGROUND:**

The Power Plant's two gas-fired boilers use electrostatic precipitators (ESPs) to remove particulate matter from the exhaust gas. The ESPs are susceptible to corrosion from flue gases and the outdoor environment, and therefore require periodic maintenance. The Capital Improvements Plan includes a project for Power plant Unit 8 Precipitator Insulation and Lagging. The FY 2022/23 budget includes \$2,000,000 for engineering and construction.

On December 13, 2022, City Council approved preliminary plans and specifications for Unit 8 Electrostatic Precipitator Insulation & Lagging. This project is to replace the lagging and insulation on the precipitator, the ductwork running between the Unit 8 boiler and the electrostatic precipitator units, along with the ductwork running between the precipitator units and the regenerative air heater. Alternative bids were requested to replace the duct work on the inlet and outlet of the Unit 8 ESP which is also deteriorating.

Bid documents were issued to four firms and four 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.

On January 25, 2023, two bids were received. The engineer's estimate for the base bid work and alternate was \$2,860,000 in total.

| BIDDER                                   | BASE BID    | ALTERNATE BID |
|--|-------------|---------------|
| Incorp Industries, LLC<br>Evansville, IN | \$1,603,640 | \$598,249     |
| HTH Companies, Inc.<br>Union, MO         | \$1,797,193 | \$878,037     |

**Staff reviewed the bids and concluded that the apparent low base bid submitted by Incorp Industries, LLC in the amount of \$1,603,640 (inclusive of Iowa sales tax) is acceptable. Staff reviewed the alternate bid prices and is recommending not awarding the alternate to replace the inlet and outlet duct work. These ductwork components are not in an urgent state of repair, and staff believes that repairing these components at a later time may result in more competitive pricing.**

**ALTERNATIVES:**

1. Award a contract to Incorp Industries, LLC of Evansville, IN for base bid work in the Unit 8 Electrostatic Precipitator Insulation and Lagging Project in the amount of \$1,603,640 (inclusive of sales tax).
2. Award a contract to the other bidder.
3. Reject all bids and direct staff to rebid.

**CITY MANAGER'S RECOMMENDED ACTION:**

This work is necessary to repair damaged pieces and provide adequate insulation and protection. The work is a planned project in the current CIP. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.