

ITEM #: 38
 DATE: 02-14-23
 DEPT: Electric

COUNCIL ACTION FORM

SUBJECT: COMBUSTION TURBINE FUEL OIL PIPE INSTALLATION

BACKGROUND:

On December 13, 2022, City Council approved preliminary plans and specifications for the Combustion Turbine Fuel Oil Pipe Installation. This project is for the installation of double-walled carbon steel piping to replace the remaining, original, underground fuel oil piping that provides fuel to the two combustion turbines (CT1 & CT2) within the City's Electric Utility.

Bid documents were sent to seven contractors and four plan rooms. The bid was also 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:

BIDDER	TOTAL COST
Modern Companies, Inc. Cedar Rapids, IA	\$391,700
API Solutions LLC Marshalltown, IA	\$425,000

Bid prices inclusive of Iowa sales tax

Staff evaluated the bids and determined that the apparent low bid from Modern Companies, Inc, Cedar Rapids, IA, is acceptable.

The approved FY 2020/21 Fuel Oil Piping Installation Capital Improvements Plan project includes \$150,000 for this project. Because of the priority for this project to be completed, the funds from two other Capital Improvements Plan projects will be used to cover the shortfall: savings from the FY 2022/23 Unit 7 Main Steam Line Insulation Replacement and from the FY 2021/22 Unit 8 Turbine/Generator Overhaul. The funds available from savings in these projects are \$210,000 and \$68,055 respectively.

ALTERNATIVES:

1. Award contract to Modern Companies, Inc, Cedar Rapids, IA for the Combustion Turbine Fuel Oil Pipe Installation, in the amount of \$391,700.
2. Award to the other bidder.
3. Reject all bids and delay the Combustion Turbine Fuel Oil Pipe Installation.

CITY MANAGER'S RECOMMENDED ACTION:

This project is needed because all original lines installed in 1972 are subject to failure due to their age. This is the last section of underground pipe that needs to be replaced for the Gas Turbine site. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.