FOR BOARD ACTION

Agenda Item # 5.a. **Meeting Date:**

1/23/13

SUBJECT:

Installation of Diesel Oxidation Catalyst and

Continuous Parametric Monitoring System

PREPARED BY:

Tom Williamson --- Senior Mechanical Engineer

ITEM DESCRIPTION:

One bid was opened on January 22, 2013 for the installation of a diesel oxidation catalyst and continuous parametric monitoring system for the generator sets at IBM. HiMEC Inc. submitted the lowest bid for \$188,727.00. We are working with Himec to improve delivery of the parts, in order to allow installation at an earlier date than indicated in their proposal.

History of Regulations and Generators

On March 3, 2010, the EPA promulgated national emission standards for hazardous air pollutants (HAPs) for existing (i.e. installed before June 12, 2006) stationary compression ignition reciprocating internal combustion engines. The EPA established an emission limit on carbon monoxide (CO) as a surrogate for HAPs emissions and a compliance deadline of May 3, 2013.

The engine generator sets owned and operated by RPU at the IBM site fall under this standard. These engine sets were installed at the IBM site in 2005 by RPU and are used for system peak reduction and for emergency standby service to IBM. It was anticipated that the RPU engines would meet the requirements, however, on September 12, 2012, testing showed emissions on both engines to be greater than the CO limit. RPU concluded that the installation of exhaust treatment would be required in order to meet the new limit.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

The anticipated price of the project is higher than the original 2012 allocation budget of \$70,000. The total amount requested below is covered by carryover-2012 and contingency-2013.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Utility Board approve a resolution to approve the Installation of Diesel Oxidation Catalyst and Continuous Parametric Monitoring System Contract with HiMEC Inc. in the amount of \$188,727.00 and authorize the Mayor and City Clerk to execute the Agreement.

Jany Koskiri 1-24-13
General Manager

ROCHESTER PUBLIC UTILITIES



Rochester Public Utilities

BID TABULATION

PROJECT: Engine Generator - Diesel Oxidation Catalyst and Monitoring System

Project #:
OPENING DATE: 1-22-2013 1:30 pm
ARCHITECT:

Description	Vendor		Himec Mechan	<u>lechanical</u>								
Bid Bond											Section Section (Section)	
Exceptions			∑ Yes	ON 🔲		№		on 🔲	i 🗆 Yes	Q	Yes	on □
Signed PO/Contract to meet			2/20	2/20/2013								
Issue of approval drawings			3/20	3/20/2013								
Deliver and Install complete			/1/9	6/1/2013						7 = 7.5 7 = 7.		
Completion of testing			11/17	7/1/2013					: :			
Bid is, without exception, in exact accordance with the specifications?			☑ Yes	No □	□ Yes	9 .	å □ Yes	N D	□ Yes	N No.	89 Y	ºN □
Pricing will remain valid for acceptance for 90 days and is not subject to escalation?			√ Yes	_ No	Yes	ON 🗆	∏ Yes	No No		N	Yes	&
Bidder has submitted the Bidder Qualification Statement along with the required proofs?			☑ Yes	No □	□ Yes	on 🔲	i □Yes	□ No	□ Yes	& 	∏ Yes	&
Bidder has submitted the Authorization of Signature form?			☑ Yes	ON 🔲	_ O Yes	ON 🔲	Ž. □ Yes S.o. žebine in mo	ON The state of th	. 7	0N 🔲	□ Yes	2
Bidder is capable of providing performance and payment bonds?			☑ Yes	No 	□ Yes	ON 🗌	Yes	NO III	/ □ Yes	ON 🔲	. □ Yes	8
Bidder has submitted standard warranty document for Diesel Oxidation Catalyst?			∑ ✓ Yes	NO No	" □ Yes	ON [□ Yes	. □ No	∑ Yes	ON D	Sa/ 🔲	ON
	Quantity	MOU	Per Unit	Extended	Per Unit	Extended	Per Unit	Extended	Per Unit	Extended	Per Unit	Extended
Two diesel oxidation catalyst systems-install and engineering	2	lot		Did not price		₩.		€		· &		٠ &
Two continuous parametric monitoring systems-including install	2	<u>t</u>		Did not price		₩.		' У		· •		,
Firm lump sum price-include testing				\$ 188,727.00		т У э		· σ		- ↔		\$
	-											
EVALUATED TOTAL				\$ 188,727.00		40				\$		
		\exists										

16000-1.2D.3 16000-1.2D.9 Exceptions:

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Our proposed monitoring sytem does not incorporate a warning light.

Our proposed monitoring system utilitzes a USB memory stick in lieu of the specified micro SD card.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with HiMEC, Inc. and to request the Mayor and the City Clerk to execute the agreement for

INSTALLATION OF DIESEL OXIDATION CATALYST AND CONTINUOUS PARAMETRIC MONITORING SYSTEM

The amount of the contract agreement to be ONE HUNDRED EIGHTY-EIGHT THOUSAND SEVEN HUNDRED TWENTY SEVEN AND 00/100 DOLLARS (\$188,727.00) and HiMEC, Inc. being lowest responsible bidder.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of January, 2013.

President		
Secretary		