

FOR BOARD ACTION

Agenda Item # 6.b.

Meeting Date: 1/24/05

SUBJECT: Silver Lake Plant – Unit No. 4
Boiler Superheater Repair 2005

PREPARED BY: Wally Schlink
Director of Power Resources

ITEM DESCRIPTION:

SLP Unit 4 has suffered a number of boiler tube leaks that have negatively affected the reliability of the boiler and added dramatically to the maintenance costs associated with the unit. Upon reviewing the locations of the leaks it was discovered that the majority were contained within a bank of tubes (64 tubes) that were from the original boiler installation and had not been replaced when the remaining sections of superheater were replaced. Funds have been planned for a replacement superheater in the five-year plan but a short term corrective action is required to keep the unit safe and operational until that time.

Based on that requirement a bid specification was developed and distributed to perform the work which includes removing the old tubing, furnish the materials and install the new tubes in the Unit 4 boiler.

On December 16, 2004 three bids were received for the above-referenced project. One bid did not contain a bid bond so it was resealed and did not receive further consideration. The remaining two bids were reviewed and both met the requirements defined in the specification.

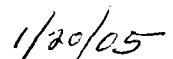
Based on being the low qualified bidder, staff recommends awarding a contract agreement with Scheck Industrial Corp. of Eagan, Minnesota to perform the work as defined in the bid specification. This work is budgeted in the 2005 Unit 4 Cost Center operating budget.

UTILITY BOARD ACTION REQUESTED:

It is recommended that the Board approve a contract agreement with Scheck Industrial Corp. in the amount of \$73,900 plus a 15% contingency amount of \$11,085 for a total approved amount of \$84,985 to provide the boiler superheater repair and to request that the Mayor and City Clerk execute the agreement.



General Manager



Date

SLP UNIT NO. 4 BOILER SUPERHEATER REPAIR - 2005

BIDDER	BID BOND	EXCEPTIONS	CERTIFICATE OF INSURANCE	R STAMP CERTIFICATE	PRICE
Scheck Industrial Corp. Eagan, MN	Yes	None	Yes	Yes	\$ 73,900.00
Moorhead Machinery & Boiler Company Minneapolis, MN	Yes	None	Yes	Yes	\$138,411.00
Babcock & Wilcox Construction Co., Inc. Barberton, OH	No	No further consideration of bid was given			

BID PROPOSAL

REFERENCE: SILVER LAKE PLANT - UNIT NO. 4
BOILER SUPERHEATER REPAIR - 2005

Honorable Public Utility Board
City of Rochester, Minnesota 55901

Date 12-15-04

Gentlemen:

The undersigned hereby proposes to furnish, deliver, unload, and install the following material f.o.b., Silver Lake Plant, Rochester, Minnesota in accordance with the attached specifications and other Proposal documents. Exceptions to the provisions of these documents, if any, are attached to and made a part of this Bid Proposal.

BASE BID

Price for Unit 4 superheater repair at the Silver Lake Plant. Work shall be substantially complete within the unit outage time.

Base Bid: \$ 72,541
Sales Tax: \$ 1359

Start Date: April 4, 2005

Completion Date: April 29, 2005

TOTAL BID PRICE (Sum of base bid prices, taxes, & contingency) \$ 73,900.00

TOTAL BID PRICE (same as above) (written) Seventy Three Thousand Nine Hundred
(Dollars)

Accompanying this Proposal is a _____ payable to the City of Rochester in the amount of \$_____ which is equal to five percent (5%) of the total bid price. It is understood that this Proposal is submitted pursuant to the INSTRUCTIONS TO BIDDERS, ATTACHED HERETO, and the undersigned hereby agrees to the terms and conditions thereof. The undersigned warrants that this Proposal is submitted in good faith and without collusion or connection with any other person or persons bidding for the same work. In the event that this Proposal is accepted, the undersigned hereby agrees to complete the work to allow operation of the equipment within the time specified in the proposal after receipt of a signed Purchase Order and/or any other legally executed contract document(s).

BIDDER Scheck Industrial Corp.

ADDRESS 3680 Dodd Rd.

Edgan MN 55123

PHONE NO. 651-450-5470

STATE OF INCORPORATION MN

BY Mike Horsch

TITLE General Manager

BID INFORMATION & QUALIFICATIONS

1. Name of Company Scheck Industrial Corp.
2. Company Contact Person Mike Horsch
3. Number of Years in Business 21
4. Number of similar projects completed within the last 2 years
List names, locations of projects and phone numbers
- Aquila Power-Dennis Gleshaver 816-937-741
Ameren Energy-Ken Beckman 314-223-8530
Covanta-Durwin Fitch 612-332-9422
Gas Recovery-Marty Caneff 651-552-0796
American Crystal Sugar
Joe Potter 218-773-5143
International Paper
Bob Barr 320-240-7247
Empire Electric-Harold Colgin 417-265-610
5. Indicate insurance limits now held by your company in the space provided.
- | | |
|---|--------------------------|
| Statutory Worker's Compensation (Minn.) | \$ <u>See Attachment</u> |
| Comprehensive General Liability | \$ _____ |
| Bodily Injury Per Person | \$ _____ |
| Bodily Injury Per Occurrence | \$ _____ |
| Property Damage | \$ _____ |
| Umbrella Form | \$ _____ |
- Does the existing insurance policy held by your company meet all of the insurance requirements in the specifications or agreement?
- YES
- Is the Certificate of Insurance included with your bid? (YES/NO)
- YES
6. Boiler Tube Materials
- | | |
|------------------|--------------------------|
| a. Supplier | <u>Metro Boiler Tube</u> |
| b. Tube Material | <u>SA209-TIA</u> |
| c. Tube Size | <u>2 3/4 O.D.x22'</u> |
7. Subcontractors (if any)
- _____

Scheck

INDUSTRIAL CORP.

3680 DODD ROAD, EAGAN, MN 55123

TELEPHONE: (651) 450-5470

FAX: (651) 450-5548

List of activities to accomplish Silver Lake superheater repair. Our quote is based on working 5- 10 hour days for 3 weeks, the last week we will work a normal 40 hour week with a hydro on 4/28/05.

1. Remove tubes from established cut lines
2. Prep existing tubes, field verify measurement. (we anticipate ordering 22' tube stock)
3. Cut new tubes to fit
4. Make field welds
5. Hydro boiler with our A.I. inspector witnessing

Proposed payment schedule

Material : we will invoice after order is placed payment 45 days

Remainder of project we will invoice after completion payment 45 days

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID NY SCHEC-1 DATE (MM/DD/YYYY) 12/13/04

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW

PRODUCER
 Horton Insurance Agency, Inc.
 www.thehortongroup.com
 10320 Orland Parkway
 Orland Park IL 60467
 Phone: 708-873-3000

INSURED
 Scheck Industrial Corp
 3680 Dodd Rd
 Eagan MN 55120

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Zurich American Insurance Co.	
INSURER B: Zurich U.S./Zurich Construction	
INSURER C: St. Paul Insurance Company	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INBR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO. <input type="checkbox"/> LOC	GLO370309100	05/01/04	05/01/05	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Emp Ben. 1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	RAP370309001	05/01/04	05/01/05	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: ACC \$
B	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION 50	AUC930361302	04/09/04	04/09/05	EACH OCCURRENCE \$ 35,000,000 AGGREGATE \$ 35,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC370308901	05/01/04	05/01/05	<input checked="" type="checkbox"/> WC STAT. <input type="checkbox"/> OTHER EL EACH ACCIDENT \$ 1,000,000 EL DISEASE - EA EMPLOYEE \$ 1,000,000 EL DISEASE - POLICY LIMIT \$ 1,000,000
C	OTHER Equipment Floater	IM01205154	04/09/04	04/09/05	Leased Equipment \$1,500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 RE: 24-5655-204 Certificate holder is included as additional insured with respects to general liability only when required by written contract.

CERTIFICATE HOLDER

ROCHP-1

Rochester Public Utilities
 4000 E River RD NE
 Rochester MN 55906

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Kelly A Kehoe

**THE NATIONAL BOARD
OF
BOILER & PRESSURE VESSEL INSPECTORS**

Certificate of Authorization



This is to certify that

**SCHECK MECHANICAL CORPORATION
500 E. PLAINFIELD RD.
COUNTRYSIDE, ILLINOIS 60525**

is authorized to use the "R" SYMBOL in accordance with the provisions of the National Board.

The scope of Authorization is limited as follows:

***REPAIRS AND/OR ALTERATIONS AT THE ABOVE LOCATION
AND EXTENDED FOR FIELD REPAIRS AND/OR
ALTERATIONS CONTROLLED BY THIS LOCATION***

CERTIFICATE NUMBER: R-5098

ISSUE DATE: APRIL 7, 2004

EXPIRATION DATE: JUNE 17, 2007

Executive Director

A handwritten signature in cursive script, appearing to read "Donald E. Fawcett".



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Scheck Industrial Corporation, and to request that the Mayor and City Clerk execute the agreement for

Silver Lake Plant – Unit No. 4
Boiler Superheater Repair 2005

The amount of the agreement to be \$73,900.00 plus a 15% contingency amount of \$11,085 for a total approved amount of \$84,985.00.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of January, 2005.

President

Secretary