

FOR BOARD ACTION

Agenda Item # 4.b.

Meeting Date:

9/28/10

SUBJECT:

SLP Unit 3 Cooling Tower Rebuild - 2010

PREPARED BY:

Tom Williamson, Sr. Mechanical Engineer

Bob Ledebuhr, C.P.M. Materials Manager/Contract Administrator

ITEM DESCRIPTION:

This item provides for the refurbishment of the Silver Lake Plant Unit 3 cooling tower structure, which during recent inspections has been determined to have significant structural defects.

The base work scope for the project addresses the structural issue. In addition, several alternate work scopes were included to facilitate the conduct of work that may be necessary for proper refurbishment, or which may be cost effective if coupled with the structural work, the principal alternate being the replacement of cooling tower fill. The need for the secondary alternate scopes cannot be determined until the structure has actually been disassembled; hence the deferment of commitment until the project is underway. Appropriate control and cost management has been invoked by bidding these alternate scopes, even though they may not be necessary. A contingency fund has also been included in the bid documents to accommodate any additional work that may be required that is not addressed by the alternates.

Seven companies received specifications on the project using the Public Purchase web-based system. Four proposals were received on September 20, 2010 for the work. Cooling Tower Depot Inc. submitted the lowest price with several alternatives for cost saving and additional safety items. The items considered are the base proposal at \$62,048, additional handrail at \$5,424 and a deduct to change the work sequence of \$9,859. The contingency is \$10,000. Final determination of the alternatives will be made after discussion with vendor.

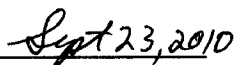
FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

The 2010 budget includes \$150,000 for cooling tower rebuild. The estimated cost of the Base Proposal work included in the specifications was less than \$100,000. It is anticipated that additional work by RPU could increase the total project cost to above \$100,000 but less than the budget. The principal Alternate Proposal, cooling tower fill, exceeds the budget; therefore, it is not recommended to be completed at this time.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve a purchase order agreement with Cooling Tower Depot Inc. The total contract amount would be \$77,472.00, which includes a \$10,000 contingency.


General Manager


Date

ROCHESTER PUBLIC UTILITIES

ROCHESTER PUBLIC UTILITIES
 TABULATION OF QUOTATIONS RECEIVED SEPTEMBER 20, 2010
 SLP UNIT 3 COOLING TOWER REBUILD 2010

	Cooling Tower Depot	Precision Cooling Towers	Midwest Towers Inc.	Cooling Tower Technologies
Base Proposal	\$62,048	\$87,213	\$93,460	\$110,200
Base Proposal Days	60 days	60 days	32 days	12 days
Alternate Proposal	\$105,648	\$89,982	\$80,524	\$181,250
Alternate Proposal Days	60 days	60 days	32 days	18 days
Contingency	\$10,000	\$10,000	\$10,000	\$10,000
Alternate (Safety) - Handrail Addition	\$5,424	---	---	---



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Cooling Tower Depot Inc. for

SLP Unit 3 Cooling Tower Rebuild - 2010

The total amount of the agreement to be SEVENTY-SEVEN THOUSAND FOUR HUNDRED SEVENTY-TWO AND 00/100 DOLLARS (\$77,472.00), which includes a \$10,000 contingency, and Cooling Tower Depot Inc. being lowest responsible bidder.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of September, 2010.

President

Secretary