

FOR BOARD ACTION

Agenda Item # 4. c.

Meeting Date:

2/24/09

SUBJECT: Unit 3-4 High Pressure Feedwater Heater Re-tubing

PREPARED BY: Rob Dunnette, Manager of Power Resources

ITEM DESCRIPTION:

The Unit 3-4 high pressure feedwater heater is scheduled for re-tubing during the upcoming Unit 3 maintenance outage. Funding for the project is provided for in the adopted 2009 Power Resources allocation budget.

Bid documents were prepared and a request for bids was published, and distribute to known contractors. The bid opening took place for January 20, 2009. One "bid" was received, but was rejected by the RPU Board because the submittal: 1) did not provide a firm price or schedule as required by the bid specifications, 2) failed to provide assurance that the contractor possessed sufficient experience working with the model of heat exchanger involved to execute the work properly, and 3) the cost estimate provided in the proposal significantly exceeded the budget for the project.

Bid documents were again prepared and a second request for bids was published and distributed to four known contractors. The bid opening took place on February 17, 2009. Two bids were received with results summarized below.

BID SUMMARY

<u>Bidder</u>	<u>Responsive Bid</u>	<u>Bid Amount</u>
Thermal Engineering Intl.	Yes	\$194,634*
American Power Services	Yes	\$114,953*
Yuba Heat Transfer	---	No Bid
National Heat Exchange	---	No Bid

*Includes \$10,000 contingency

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

Funding for this project (\$125,000) is provided for within the approved Power Resources Allocation budget.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Board accept the American Power Services bid in the amount of \$114,953 for re-tubing the Unit 3-4 high pressure feedwater heater.


General Manager

2/20/09
Date

ROCHESTER PUBLIC UTILITIES

Unit 3-4 High Pressure Feedwater Heater Bid Evaluation

	American Power Services	Thermal Engineering
Base Bid – 80/20 Cu-Ni	No Bid	\$223,621
Option A – 304 stainless	Matl - \$14,980 (matl on hand) Labor - \$109,000 Contingency - \$10,000 Total - \$134,953	Matl - \$ 68,900 (minimum 6K# order) Labor - \$111,257 Contingency - \$10,000 Total \$194,634
Schedule Alternate	June 1 start/Aug 28 complete <\$20,000> Total (Adjusted) - \$114,953	Cannot meet schedule (mid-July start), submitted no alternate, offered no deduct
Additional Engineering Required?	No – State that they have bend schedule, but will travel to site at own expense if necessary.	Yes – Do not have bend schedule; request that we provide basis
Submittal within budget (\$125,000)	Yes	No
Responsive Submittal?	Yes	Marginal
	Most responsive bid within budget	

HIGH PRESSURE HEATER NO. 3-4 RETUBING - 2009

Bid Opening: 2:00 PM, February 17, 2009

American Power Service, Inc.		National Heat Exchange Clearing Corp.		Thermal Engineering Int'l.		Yuba Heat Transfer, LLC
Base Bid		No Bid				No Bid
Material Price	No Bid				\$96,117	
State Taxes (6.5%)					\$6,247	
Labor & Other Services					\$111,257	
Contingency	\$10,000.00		\$10,000.00		\$10,000.00	\$10,000.00
Total Base Bid Price					\$223,621	
Completion Date				Start 17 weeks ARO		
Bid Option A - 304 Tubes						
Material Price	\$14,980				\$68,999.99	
State Taxes (6.5%)	\$972.70				\$4,478	
Labor & Other Services	\$109,000				\$111,257	
Contingency	\$10,000.00		\$10,000.00		\$10,000.00	\$10,000.00
Total Option Bid Price	\$134,952.70				\$194,634	
Completion Date	see below			Start 19 weeks ARO		
Bid Alternate - Schedule						
Deduct for alternate schedule	\$20,000			No bid		
Project Start Date	6/1/2009					
Project Completion Date	8/28/2009					
Bid Security	Yes			Yes		



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with American Power Services, Inc. for re-tubing the Unit 3-4 High Pressure Feedwater Heater.

The amount of the contract agreement shall be One Hundred Fourteen Thousand Dollars and no/100 (\$114,953.00), which includes a Ten Thousand Dollar (\$10,000) contingency.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of February 2009.

President

Secretary