

DESIGN PROCEDURE B-7

Evaluation of Bids

1.0 OBJECTIVE

This Procedure is provided to ensure that proposals received in reply to a request for bids on a GSE produced Contract (Procedure A-5) are properly reviewed and recommended for purchase.

This Procedure is responsive to ANSI N45.2.11 and the Quality Assurance Plan.

2.0 APPLICATION

After a bid opening, the Material Management Division reviews each bid for exceptions to the Contract, prepares the preliminary tabulation of bids and forwards a copy of all bids to the GSE Design Engineer for his review.

The "Official Bid Tabulation" is prepared by the Material Management Division, who in turn will forward a copy to the GSE Design Engineer.

The OPPD Attorney's opinion is received in writing by the Material Management Division. It may also be necessary for the Attorney and Design Engineer to consult with Material Management Division to resolve any legal problems.

The Design Engineer arranges for the appropriate reviews of the bids by the QA Department as applicable, the Architect/Engineer, by other GSE Departments, and/or others if necessary.

Before a contract is awarded, a pre-award meeting may be held to ensure that there are no differences of opinion with regard to interpretation of the specification and the contractor's bid. Normally, the two lowest bidders are contacted.

The GSE Design Engineer, with the assistance of the consultant if necessary, prepares the following:

1. An "Analysis of Proposals" is primarily the technical evaluation stating that the recommended bid is "technically responsive." This document is from the Section Manager - GSE to the Division Manager - Engineering.
2. The "Data Sheet," written by GSE is recommended by the Vice-President and is approved for Board Action by the President.

The Design Engineer provides the Division Manager - Engineering with:

1. Analysis of Proposal.
2. Data Sheet.
3. Supportive information at the request of the Division Manager - Engineering.

To obtain current examples of the above referenced material, contact the GSE Secretary at the time of preparation.

Appendix B-7-1: Example of letters rejecting bids received and requesting authorization to negotiate.

Appendix B-7-2: Example of regular contract award.

Appendix B-7-3: Example of award of negotiated contract.

Appendix B-7-4: Example of award without going out for bids - with Engineers certification.

Appendix B-7-5: Example of additional information for contract.



Board Action

BOARD OF DIRECTORS

January 12, 1988

ITEM

Contract No. 1557 - Radwaste Processing Building Bridge Crane
for the Fort Calhoun Station

BACKGROUND STATEMENT

The Radwaste Processing Building is the major element of the Fort Calhoun Radwaste Volume Reduction System. This system is necessary to comply with reduced volume allocation for low-level radioactive waste at disposal sites. Contract No. 1557 is for design, manufacture, and test of the Radwaste Processing Building Bridge Crane. Because of special requirements and long delivery time, it is necessary to proceed with the purchase of the crane prior to award of the construction contract.

FACTS

- a. The work included in this contract is scheduled to be completed in the first quarter of 1989.
- b. The engineer's estimate for the cost of this contract was \$135,000.
- c. One proposal in the amount of \$430,290 was received from the Whiting Corporation.
- d. The proposal from Whiting Corporation included some of the optional equipment in the base price.

EVALUATION


The proposal from Whiting Corporation was determined to be legally and technically unacceptable.

ACTION

Rejection by the Board of the bid received and authorization at the January meeting for Management to enter into negotiations to obtain a proposal that is legally and technically acceptable.

RECOMMENDED:

APPROVED FOR BOARD ACTION:



D. D. Wittke



F. M. Petersen

DDW:md

Attachments: Analysis of Proposal
Tabulation of Bids
Legal Opinion
Resolution

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Memorandum

Date: December 15, 1987

GSE-FC-87-1983

From: S. K. Gambhir

To: R. C. Liebentritt

Contract No. 1557
"Radwaste Processing Building Bridge Crane
for the Fort Calhoun Station"
MR-FC-80-104

ANALYSIS OF PROPOSAL

1.00 GENERAL

Contract No. 1557, "Radwaste Processing Building Bridge Crane for the Fort Calhoun Station," was advertised for bids on October 13, 1987.

Addendum No. 1 was issued on November 2, 1987. No letter of clarification was issued for this contract.

The subject contract was issued for the design, manufacturing, and testing of the Radwaste Processing Building Bridge Crane and optional accessories for movement of radwaste containers, removable roof slabs, and miscellaneous equipment. Only one bid was received and opened at 2:00 p.m., C.S.T. on November 24, 1987.

<u>Bidder</u>	<u>Item 1.0 Bid</u>	<u>Item 1.a Bid</u>	<u>Total</u>
Whiting Corporation	\$430,290.00	\$ 5,000.00	\$435,290.00

The bidder guaranteed shipment by the requested date of December 16, 1988.

The engineer's estimate at the time of bid opening was for a total cost of \$135,000.00.

2.00 COMPLIANCE WITH CONTRACT TERMS AND CONDITIONS

The proposal was referred to the District's legal counsel for review. It was determined to be legally unacceptable due to several deviations from the contract documents. Specifically:

- The bid did not include the required bid bond.
- The commercial terms were changed.
- The bid specified a shorter acceptance period than that called for in the contract.

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R. C. Liebentritt
December 2, 1987
Page 2

In addition, the contract requested the base price for a 30-ton capacity overhead bridge crane complete with appurtenances including one hoist, motor drives, festooned cable and a fixed pendant control panel. The contract also requested pricing for optional features such as TV cameras, monitors, grabs for radwaste containers and roof slabs, process and transfer shield, etc. The Whiting Corporation, however, included the cost of some of the options in the base price.

3.00 COMPLIANCE WITH TECHNICAL REQUIREMENTS

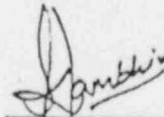
The proposal was determined to be technically nonresponsive due to lack of providing individual pricing/technical data for option items, and other deviations from the technical requirements of the contract.

4.00 ECONOMIC EVALUATION

The engineer was unable to perform economic evaluation due to the fact that the base price and optional item prices were combined.

5.00 RECOMMENDATION

On the basis of noncompliance to the technical and legal requirements, it is recommended that the bid received on Contract No. 1557 be rejected, and authorization is requested to enter into negotiations with Whiting Corporation and other vendors to obtain a contract which is legally and technically acceptable.



S. K. Gambhir
Section Manager
Generating Station Engineering

Recommended:



R. C. Liebentritt

SKG/MEE/KAR/JKN:tjb

xc: R. E. Clayborne
MR-FC-80-104 File



BOARD OF DIRECTORS

Board Action

November 10, 1987

ITEM

Contract No. 1562 - Coal Belt Feeders for the North Omaha Power Station

BACKGROUND STATEMENT

This equipment is necessary to replace existing Link Belt reciprocating coal feeders which were designed in 1939 and installed at North Omaha in 1952. Link Belt ended production of reciprocating feeders in the mid-1960's and closed out their remaining replacement parts inventory in the mid-1970's. OPPD's spare parts inventory for these feeders was fully depleted during a recent maintenance overhaul and spare parts are presently not available. Additionally, the existing feeders continue to contribute significantly to coal spillage and dust in the area which creates serious fire hazards and maintenance problems. Because of these problems and the critical function of the equipment, replacement was deemed necessary by the Life Extension Study.

FACTS

- a. Two proposals were received. Both proposals are legally and technically responsive.
- b. The engineer's estimate at the time of bid opening was \$253,000.00.

EVALUATION

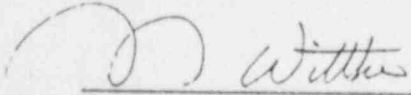
Mid-West Conveyor Company, Inc. submitted the lowest and best bid.

ACTION


Authorization by the Board to award Contract No. 1562 to Mid-West Conveyor Company, Inc. in the amount of \$368,325.00 at the November Board Meeting.

RECOMMENDED:

APPROVED FOR BOARD ACTION:



 D. D. Wittke



 F. M. Petersen

DDW:djj

Attachments: Analysis of Proposals
 Tabulation of Bids
 Legal Opinion
 Resolution

Memorandum

Date: October 28, 1987
From: S. K. Gambhir
To: R. C. Liebentritt

GSE-OS-87-352

Contract No. 1562
"Coal Belt Feeders For The North Omaha Power Station"
Analysis of Proposals

1.00 GENERAL

Contract No. 1562 for "Coal Belt Feeders for the North Omaha Power Station" was advertised for bids on September 8, 1987.

This contract is for design, material, special tools, labor, and labor supervision to install replacement coal belt feeders at the North Omaha Power Station track unloading area. The existing four Link Belt reciprocating feeders were designed in 1939 and manufacturing of this design was discontinued in 1946. They were installed at North Omaha Station in 1952. Link Belt ended production of all types of reciprocating feeders in the mid-1960's and their remaining replacement parts inventory was closed out in the mid-1970's. OPPD's spare parts inventory for these reciprocating feeders was fully depleted during a recent maintenance overhaul and spare parts are presently not available. The existing reciprocating feeders contribute large amounts of coal spillage and dust to the area which creates serious fire hazards and maintenance problems. Because of these problems and the critical function of the equipment, replacement was deemed necessary by the Life Extension Study.

A site inspection visit by prospective bidders was held on September 22, 1987. One letter of clarification was issued. No addenda were issued.

<u>Bidders</u>	<u>Bid</u>
1. Mid-West Conveyor Co.	\$368,325.00
2. B. L. Montague, Inc.	\$509,700.00

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The two bids received are firm for their respective guaranteed completion dates. Four bidders declined to bid early in the bid period. One bidder declined to bid after the site inspection visit on September 22.

The OPPD engineer's estimate at the time of bid opening was \$253,000.00. The engineer's estimate was based on preliminary estimates from two major equipment suppliers of coal belt feeders and the equipment supplier of the specified electrical equipment. However, bid responses were significantly impacted by the site inspection walkdown of the construction work area. Several site conditions were observed which created bidder concerns for special installation methods and work shift scheduling. They included:

1. Very restrictive physical space in the work area.
2. Existence of considerable amounts of coal contamination with its resultant fire hazards in the work areas.
3. Inadequate personnel ventilation available in the coal feeder area.
4. Plant requirements to continue coal unloading operations on one side of coal conveyor system during construction.
5. Considerable amount of third shift and premium time work activity planned.

These special conditions resulted in one bidder's declination to bid, and considerably higher proposed installation costs for the two bids received.

Four bidders declined to bid basically because the project did not have a large enough scope of work to attract them. Local suppliers and contractors were not able to bid as principal contractor because the special equipment and installation methods require the expertise and financial responsibility of a major national conveyor-manufacturing company. A small scope project such as this would not normally be attractive to a major manufacturer. However, the current market demand for large conveyor systems is low, thus providing an opportunity for major manufacturers such as Mid-West Conveyor or B. L. Montague to bid this contract. Therefore, the bids received are considered to be as competitive as possible at the present or in the near future.

2.00 COMPLIANCE WITH CONTRACT TERMS AND GENERAL REQUIREMENTS

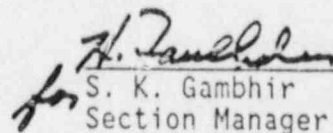
In the opinion of the District's legal counsel, both proposals meet the terms and general requirements of the contract and are considered legally responsive.

3.00 COMPLIANCE WITH TECHNICAL REQUIREMENTS

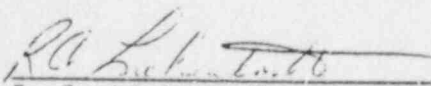
Both proposals are in compliance with the technical requirements of the contract. Technical clarifications on the Mid-West Conveyor proposal were received in a letter dated October 16, 1987. No price adjustment was involved.

4.00 RECOMMENDATION

On the basis of compliance with the technical and legal requirements of the specifications, cost evaluation, and the guaranteed in-service date of April 22, 1988, it is recommended that Contract No. 1562 for the "Coal Belt Feeders for the North Omaha Power Station" be awarded to Mid-West Conveyor Company for the amount of Three Hundred Sixty-Eight Thousand Three Hundred Twenty-Five Dollars (\$368,325.00).


for S. K. Gambhir
Section Manager
Generating Station Engineering

Recommended:


R. C. Liebentritt

SKG/KAR/MEE/RGE/MDB:djj

xc: M. D. Beckett
MR File OS-85-006



BOARD OF DIRECTORS

November 10, 1987

Approved Board of Directors Meeting
November 12, 1987
Resolution No. 3674

Board Action

ITEM

Contract No. 1548N - Combustion Air Steam Coils for Unit No. 4,
North Omaha Station

BACKGROUND STATEMENT

This contract is for the design, manufacture and testing of steam heating coils and accessories to replace the existing equipment on Unit No. 4 combustion air duct at the North Omaha Station. The existing coils have become high maintenance items creating problems in other related equipment.

FACTS

- a. Contract No. 1548 was originally advertised on August 11, 1987. The three sealed bids opened on September 18, 1987 were rejected by the Board of Directors on October 15, 1987, and authorization was granted to enter into negotiations for an acceptable proposal.
- b. October 19, 1987 OPPD sent a letter to each of the three bidders inviting them to submit another bid that would be in compliance with the original contract and addenda. The letter also contained two small changes and three clarifications to the contract.
- c. Two of the three bidders resubmitted proposals on October 30, 1987. Both bidders reduced their proposals by approximately 15% from their earlier proposal.
- d. The engineer's estimate on the contract was \$80,000.00.

EVALUATION

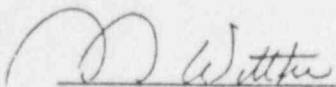
The proposal from Buffalo Forge Company is technically nonresponsive. The proposal from Hughes Machinery Company is legally, technically, and economically responsive to the contract and related documents.

ACTION


Authorization by the Board to award Contract No. 1548N to Hughes Machinery Company for a firm price of \$71,721.00 at the November Board Meeting.

RECOMMENDED:

APPROVED FOR BOARD ACTION:



D. D. Wittke



F. M. Petersen

DDW:tjb

Attachments: Analysis of Proposals
Legal Opinion
Resolution

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Memorandum

Date: November 2, 1987

GSE-OS-87-370

From: S. K. Gambhir

To: R. C. Liebentritt

Contract No. 1548N

"Combustion Air Steam Coils Unit No. 4, North Omaha Station"

ANALYSIS OF PROPOSALS

1.00 GENERAL

Contract No. 1548N "Combustion Air Steam Coils, Unit No. 4, North Omaha Station" is for the design, manufacture and testing of steam heating coils and accessories for the air preheater section of the combustion air duct on Unit No. 4 at the North Omaha Station. The existing coils and equipment have become high maintenance items that have created problems in other related equipment such as the condensate drain system.

The original contract was advertised for bids on August 11, 1987. Addendum No. 1 was issued on August 26 and Addendum No. 2 was issued on August 31. No letters of clarification were issued for this contract at that time. Three sealed bids for the contract were opened on September 18, 1987. On October 15, 1987, the OPPD Board of Directors rejected all bids for being either legally and/or technically nonresponsive and authorized negotiations to obtain a contract which is responsive.

OPPD contacted all three bidders by letter on October 19, 1987, to inform them of the reason for the rejection of their bid and invited them to re-submit another bid for consideration. It was specified that the resubmitted bid must comply with the previous contract document and addenda, and with the clarifications and minor additional requirements sent to them in the letter. The letter also listed exceptions to the contract that were acceptable to OPPD. Bidders were requested to submit to the OPPD Contracts Department, in the same manner that the original bid was submitted, a letter with the new bid included. Bidders were free to make price adjustments.

The following quotations were received by October 30, 1987:

<u>Bidder</u>	<u>Item 1.a Bid</u>	<u>Item 1.b Bid</u>	<u>Total</u>
Buffalo Forge Company	\$55,508.00	\$11,082.00	\$66,590.00
Smithco Engineering Inc.	Did Not Requote		
Hughes Machinery Company	\$54,814.00	\$16,907.00	\$71,721.00

The engineer's estimate at the time of the original bid opening was for a total cost of \$80,000.00.

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2.00 COMPLIANCE WITH CONTRACT TERMS AND CONDITIONS

Both proposals were referred to the District's legal counsel for review. Both were determined to be legally responsive.

3.00 COMPLIANCE WITH TECHNICAL REQUIREMENTS

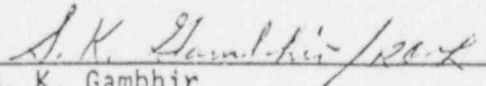
Both of the proposals were evaluated by the District's engineers in the Generating Station Engineering Section of the Engineering Division. The proposal submitted by Buffalo Forge Company was determined to be technically nonresponsive. Their proposal included steam traps in Item 1.b that were not suitable for the design conditions specified in the contract. Failure of the traps could result in a failure in the coils or other equipment. The Buffalo Forge proposal also did not include any description of any of the equipment listed under Item 1.b except for the steam trap. This was a requirement of the contract and was further clarified in the October 19, 1987, letter. It was not possible to evaluate this equipment without some kind of description. Furthermore, Buffalo Forge Company could not meet the required delivery date of January 15, 1988. Their proposal stated that they could only ship by January 29, 1988, if the order was received by November 4, 1987. After that time, a delivery schedule was indeterminate. The proposal submitted by Hughes Machinery Company was determined to be technically responsive.

4.00 ECONOMIC EVALUATION

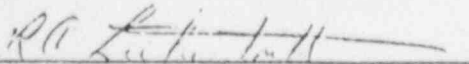
All the proposals were referred to the District's engineers for economic evaluation. Both companies reduced their bids approximately 15% from their original quotes. Based on the engineer's estimate, both proposals are economically responsive.

5.00 RECOMMENDATION

On the basis of compliance with the legal and technical requirements of the specifications, and economic evaluation, it is recommended that Contract No. 1548N be awarded to Hughes Machinery Company for a firm price of Seventy-one Thousand Seven Hundred Twenty-one Dollars (\$71,721.00).


S. K. Gambhir
Section Manager
Generating Station Engineering

Recommended:


R. C. Liebentritt

SKG/MEE/RGE/TAB:tjb

xc: D. K. Bender
MR-OS-79-35 File

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Board Action

BOARD OF DIRECTORS

December 15, 1987

ITEM

Purchase of Static Excitation System for Unit No. 1 at the North Omaha Station.

BACKGROUND STATEMENT

As part of the Life Extension Study, it was recommended that the existing Excitation System be replaced with a newer design Static Excitation System. The existing gear driven generator Excitation System for Unit 1 contains many rotating parts susceptible to wear and frequent maintenance as the system ages. Due to the system being in service for more than 30 years, many parts will have to be replaced or repaired in the near future.

FACTS

- a. The Unit No. 1 generator currently has a gear driven Excitation System supplied by General Electric Company.
- b. A Static Excitation System will be installed to replace the existing excitation system. The new Static Excitation System will reduce maintenance requirements and will improve generator response time, efficiency and control.
- c. The new Static Excitation System will be installed during the Summer 1988 Unit 1 Outage.

EVALUATION

General Electric Company is the original supplier of the Excitation System for North Omaha Station Unit No. 1. It would be more practical and in the District's best interest to purchase from General Electric Company. This purchase will assure maximum configuration compatibility and total responsibility for the entire generator.

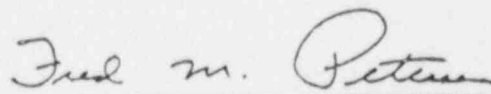
ACTION

Approval by the Board of the Engineer's Certificate in accordance with the requirements of paragraph (2) of Section 70-637, Revised Statutes of Nebraska, and authorization to issue a purchase order to General Electric Company in the amount of \$116,330.00 at the December Board Meeting.

RECOMMENDED:

APPROVED FOR BOARD ACTION:


D. D. Wittke


F. M. Petersen

DDW:lz

Attachments: Recommendation Letter
Engineer's Certification
Legal Opinion
Resolution

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Memorandum

Date: November 25, 1967

GSE-OS-87-395

From: S. K. Gambhir

To: R. C. Liebentritt

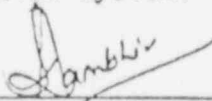
SUBJECT: Purchase of a Static Excitation System for
North Omaha Station Unit No. 1, MR-OS-85-142.

The North Omaha Station Unit No. 1 Generator Excitation System is a gear driven Excitation System supplied by General Electric Company. This Excitation System consists of a reduction gear, a main exciter and an Amplidyne Voltage regulator. Due to many rotating parts inherent in gear driven Excitation Systems frequent maintenance is required. As a result of the Unit No. 1 Excitation System being operational for over 30 years, many parts will have to be repaired or replaced in the near future. In addition to frequent maintenance associated with the existing Excitation System, overall generator losses are higher than they will be with the new Static Excitation System.

Life Extension Modification, MR-OS-85-142, "Unit No. 1 Static Excitation System" was written to request the replacement of the existing General Electric Amplidyne Excitation System with a new General Electric Static Excitation System containing no rotating parts. The General Electric Static Excitation System will primarily consist of one (1) indoor dry-type transformer, one (1) static excitation cubicle, and miscellaneous remote mounted control devices. This new system will reduce maintenance, improve exciter efficiency and response time, and provide more accurate generator voltage control.

The existing generator as well as the existing Excitation System were originally supplied by General Electric Company. While other vendors could supply this equipment, it would be impractical and not in the District's best interest to purchase from a different supplier. Purchase from General Electric Company will assure maximum configuration compatibility with the existing General Electric generator.

In accordance with the requirements of paragraph (2) of Section 70-637, Revised Statutes of Nebraska, it is recommended that a purchase order be issued to General Electric Company in the amount of \$116,330.00 for the base proposal cost of the new retrofit Static Excitation System.

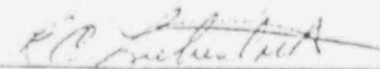


S. K. Gambhir
Section Manager
Generating Station Engineering

SKG/HJF/HLL/TJN:lz

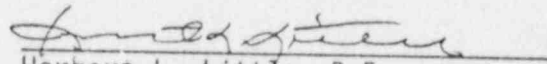
Recommended:

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R. C. Liebentritt

"I, Herbert L. Little, Registered Professional Engineer of the State of Nebraska, hereby certify that General Electric Company is the original manufacturer of the Generator Excitation System for the North Omaha Station Unit No. 1; that the replacement of the Generator Excitation System for this unit is required; that maximum configuration compatibility with the existing General Electric generator is critical; and that, consequently, compliance with Section 70-637 of the Revised Statutes of Nebraska in the purchase of this equipment would be impractical and not in the public interest."


Herbert L. Little, P.E.

ADDITIONAL INFORMATION FOR CONTRACT NO. _____

1. Additional information on reason work needed. Specific details of possible interest, e.g., number of items, size of items, age of existing, etc. _____

2. Anything unique/unusual about contract or bid? _____

3. Name of principals in low 2 or 3 bids, if local. _____

4. Reason for each addendum, if any issued. _____

5. Reason for each letter of clarification, if any issued. _____

6. Reason for significant difference from engineer's estimate, if so. _____

7. If any bids are exceptionally low or exceptionally high, what is the reason? _____

8. Any related contracts? If so, give brief description and when awarded or scheduled for award. _____

9. How much originally estimated/budgeted for project? _____
10. How much spent and committed for project? _____
11. Present projected total cost of project. _____
12. Scheduled completion/delivery for this contract. _____
13. Scheduled completion of project. _____
14. Effect of delay of contract award. _____

15. Effect of delay of project. _____

16. Comments on previous experience with recommended bidder and other bidders, if appropriate. _____

