



Rochelle Municipal Utilities
Electric Operations Division

Memo

To: David Plyman

From: Joe Orlikowski

CC: Sue Messer, Joanne Peters

Date: 9/5/2012

Re: Bid Review B1412 K001 RICE NESHAP Improvements

February 2010 the EPA officially made the RICE NESHAP ruling. The rule is intended to reduce emissions of toxic air pollutants such as formaldehyde, acetaldehyde, acrolein, methanol and other air toxics from several categories of previously unregulated stationary engines. RICE NESHAP is an acronym for Reciprocating Internal Combustion Engines National Emission Standards for Hazardous Air Pollutants.

The affected stationary diesel engines must comply with CO emission limits or must be fitted with emission controls, such as diesel oxidation catalysts, to reduce CO emissions by 70%.

The rule also requires the use of ultra-low sulfur diesel fuel for stationary non-emergency engines greater than 300 hp with a displacement of less than 30 liters per cylinder. The regulation will be fully implemented by 2013.

Bids were opened on August 29, 2012 for labor and materials to bring seven engines at the Electric Production facilities on Ninth Street and the Peaker Plant on Caron Road into compliance with the EPA RICE NESHAP regulations. Three bids were received. Barnes, Henry, Meisenheimer & Gende, Inc. (BHMG) reviewed and analyzed the bids for completeness and ability to meet the specification requirements.

Bids were received from Fairbanks Morse for \$1,472,695.00; Independent Mechanical Industries for \$934,000.00, and Stenstrom General Contractor for \$849,600.00.

The bid specification, Section 00420 Qualifications, Subsection 2.03B, states that the Bidder shall submit written proof that the Bidder will complete a minimum 30% of the overall project by his own company and workers. Stenstrom bid did not include documentation to support this requirement.

In summary, review of qualification documentation submitted by the two lowest bidders yields the conclusion that Stenstrom General Contractors bid does not satisfy the qualification section of the bid specification whereas Independent Mechanical Industries does meet the requirements of the bid specifications.

Along with BHMG and myself, I recommend that we accept Independent Mechanical Industries bid of \$934,000.00 for the RICE NESHAP improvements.

In the 2012/ 2013 capital budget, we budgeted \$1,450,000 for this project.

Joe Orlikowski