

**Lee County Board Of County Commissioners
Agenda Item Summary**

Blue Sheet No. 20050423

1. ACTION REQUESTED/PURPOSE:

Approve award of formal quotation (RFP B&R 2661-SM113) and issuance of a purchase order to Thermal Engineering International (TEI), the low price proposer, meeting all specification requirements for a bypass condenser in an amount of \$236,500.00.

2. WHAT ACTION ACCOMPLISHES:

Provides the necessary bypass condenser for the Waste To Energy Expansion Project.

3. MANAGEMENT RECOMMENDATION:

4. Departmental Category: 08

C&B

5. Meeting Date: 04-12-2005

6. Agenda:

- Consent
- Administrative
- Appeals
- Public
- Walk-On

7. Requirement/Purpose: (specify)

- Statute
- Ordinance
- Admin. Code **AC4-1**
- Other

**8. Request Initiated: Lindsey J Sampson
Commissioner**

Department Public Works
Division Solid Waste

By: S/Lindsey J. Sampson

9. Background:

Sealed quotes were received by the County's design engineer, Burns & Roe, on behalf of the Solid Waste Division on February 3, 2005. On that date three (3) responses were received. On March 3, 2005, the two low proposers were asked to submit alternate pricing considering revised 'fouling factors' included in the specifications. After review, recommendation was made to award to the low-priced proposer meeting all specification requirements. Backup documentation refers to a price of \$242,500.00 that includes \$6,000.00 for the option of a performance bond. The Solid Waste Division does not want to make use of this option.

Funds are available in account string: 200923 40102.506540

Attachments: Burns & Roe bid evaluation dated 3/9/05
Tabulation sheet
Covanta Comments on the B&R bid evaluation dated 3/14/05

10. Review for Scheduling:

Department Director	Purchasing or Contracts	Human Resources	Other	County Attorney	Budget Services			County Manager/P.W. Director	
<i>Janet Sheehan</i> 3-28-05	N/A per Janet Sheehan (LJS)	N/A	<i>SAO</i> 3/25/05	<i>S. Pinn</i> 3/28/05	Analyst <i>new</i> 3/28/05	Risk <i>or</i> 3/28/05	Grants <i>NY</i> 3/19/05	<i>Mgr.</i> 3/30/05	<i>J. Sampson</i> 3-28-05

11. Commission Action:

- Approved
- Deferred
- Denied
- Other

Rec. by CoAtty
Date: *3/28/05*
Time: *5:00*
Forwarded To:
Co. Adm.
3/28/05

RECEIVED BY
COUNTY ADMIN: *OW*
3-28-05 *mp.*
3:55
COUNTY ADMIN
FORWARDED TO: *pk*
3/31/05
4:30pm



February 25, 2005
Revised March 9, 2005

**LEE COUNTY
WTE EXPANSION PROJECT
FORT MYERS, FLORIDA**

**RFP 2661-SM113
Bypass Condenser**

BID EVALUATION

Burns and Roe Enterprises, acting on behalf of Lee County issued Request for Proposal No. 2661-SM 113 "Bypass Condenser" on December 2, 2004 to the following pre-approved bidders: Alstom Power (Ecolaire); Graham Manufacturing; Holtec International; Thermal Engineering International; and Yuba Heat Transfer. On January 14, 2005 Alstom Power declined to bid and Graham Corporation declined to bid on February 2, 2005. Both declined due to equipment size. On February 3, 2005 bids were received from:

- Holtec International proposal # H-4965.HX: Rev-0 dated 2/1/05
- Thermal Engineering International proposal # 05008X dated 2/3/05
- Yuba Heat Transfer proposal # QC-4673-05 dated 2/2/05

Holtec International was reviewed and determined to be technically unacceptable and as they were high bid, received no further consideration.

RECOMMENDATION:

The recommended award of the contract is to Thermal Engineering International (TEI). Recommended award price of \$242,500 includes 100% Performance and Payment Bonds, FOB Jobsite, Freight Prepaid and Allowed, and does not include Sales or Use Tax. Note: final terms and conditions to be reviewed and accepted by Lee County.

On March 3, 2005, both TEI and Yuba were provided fouling factors of:

0.0005 hr-ft²-F/Btu for the steam side (shell side) and

0.002 hr-ft²-F/Btu for the cooling water side (tube side)

and requested to update their bids. TEI submitted a \$51,000 increase and Yuba a \$244,765 increase.

Revised recommended award is:

Base Price:	\$198,700
100% Performance/Payment Bonds	\$ 6,000
Price reduction:	<u>\$ 13,200</u>
Recommended Award Price:	\$191,500
Adder for Fouling Factor	\$ 51,000
Revised Recommended Award Price:	\$242,500

The budget for the Bypass Condenser is \$222,341. This award is \$20,159 over budget.

BID EVALUATION 2661-SM113 "Bypass Condenser" (cont'd...)

COMMERCIAL EVALUATION:

Two (2) of three (3) bids were reviewed based on bidder's compliance with the Scope of the RFP and Contract terms and conditions. Attachment #1 is the bid abstract.

Yuba's base bid is \$218,500. A Letter of Credit was offered in lieu of the Performance/Payment Bonds. Total bid price of \$228,335 is \$36835 higher than TEI's. Submittal of approval drawings and delivery is in accordance with project schedule.

Thermal Engineering International's (TEI) base price was low. TEI's base price of \$198,700. included a 10% performance/payment bond. TEI offered as an option 100% Performance and Payment Bonds at a net increase of \$6,000, thus the price of \$204,700. TEI offered on 2/24/05 a \$13,200 price reduction, bring final recommended award price to \$191,500. The technical questions/clarifications asked had no impact or change in price. Field Service rate is \$1,400 per day which is competitive with other bidder. Submittal of approval drawings/documents is 30 to 45 days after receipt of order. Delivery is March 15, 2006 consistent with project schedule.

Commercially, TEI has proposed the following terms:

Payment Terms: 15% - submittal of approval drawings
 35% - receipt of tube by TEI
 50% - delivery at site

Deliverables:

a) GA-Drawings: 30 days after receipt of order (ARO)
b) Nozzle locations/sizes 30 days ARO
c) Movements and forces 45 days ARO
d) Loads 45 days ARO
e) Anchor bolt size/locations 45 days ARO
f) Equipment: March 15, 2006

Both TEI and Yuba submitted exceptions/clarifications to the Services/Goods Purchase Conditions. As TEI is evaluated low bidder, only TEI's exceptions were reviewed and recommendations are included as Attachment #3. Final review and acceptance by Lee County is required.

TEI and Yuba updated bids based on revised fouling factors. TEI submitted \$51,000 increase and Yuba a \$244,765. Revised pricing shown on the Bid Abstract. Yuba was requested to re-confirm its price increase, however, they have not responded. TEI remains the recommended bidder.

The Services/Goods Purchase Conditions is with TEI for redlining, then review and acceptance by BRE, Covanta, and Lee County.

BID ABSTRACT Rev.1				<u>BYPASS CONDENSER</u>				
Burns and Roe Enterprises, Inc. W/O: 2661 Lee County Expansion Project RFP No SM-113 ByPass Condenser BUDGET: \$222,341				1	2	3	4	5
				HOLTEC	THERMAL ENGINEERING	YUBA HEAT		
				ITEM	QTY	UNIT	DESCRIPTION	
1	1	ea	ByPass Condenser	\$ 327,000.00	\$198,700.00	\$218,500.00		
			100% Performance/Payment Bond	??	6,000.00	\$9,835.00		
			SUB TOTAL	\$327,000.00	\$204,700.00	\$228,335.00		
			Price reduction	n/a	-\$13,200.00	n/a		
			TOTAL	\$327,000.00	\$191,500.00	\$228,355.00		
			Price increase for .0005 and .0002 Fouling		\$51,000.00	\$244,765.00		
			Revised Recommended Award Price		\$242,500.00	\$473,120.00		
				---	base	+95%		
				Technically Unacceptable				
			Pricing Firm	2/15/05	3/4/2005	3/22/05		
			Sales/Use Tax	none	none	none		
			Florida Certified MBE	Yes	No	No		
			Field Technical Service Rates	--	\$1,400/day	\$1,430/day		
			Drawings Submitted	4-8 wks	4-6 wks	4-6 wks		
			Delivery	38wks aro	3/15/06	3/1/06		
			PAYMENT TERMS	Milestones. Net 30	Milestone Net 30	Milestone, net 30		
			FOB Jobsite - Prepaid	Yes	Yes	Yes		
			EXCEPTIONS					
AWARD RECOMMENDATION: Thermal Engineering International						PREPARED BY: D'AMICO		DATE:
REASON FOR RECOMMENDATION: Technically Acceptable and Low Bidder						REVIEWED BY:		DATE:

BYPASS CONDENSER
SM-113 TECHNICAL BID EVALUATION (Revision 1, 3/8/05)

Bids were received from the following three (3) vendors for supply of the Bypass Condenser:

- TEI proposal number 05008X dated 2/3/05
- YUBA Proposal number QG-4673-05 dated 2/2/05
- Holtec International proposal number H-4965.HX: Rev-0 dated 2/1/05

TEI's initial price was \$198,700 while YUBA's initial price was \$218,500. Holtec was deemed technically unacceptable.

Both TEI and YUBA initially bid a bypass condenser utilizing standard fouling factors including a cleanliness factor of 85% on the tubeside. Both were asked to rebid using the following Covanta requested fouling factors:

Tube Side – 0.002 hr – ft² - F/Btu

Steam Side – 0.0005 hr – ft² – F/Btu

Of significance is the tubeside fouling factor of 0.002 hr-ft²-F/Btu which essentially doubled the surface area. Both TEI and YUBA provided revised pricing as follows to meet the above specified fouling factors.

TEI \$242,500

YUBA \$473,120

Both TEI and YUBA were reviewed for technical acceptability. Both bid a 2 pass, vertical channel down "U" tube heat exchanger with 317L SS tubes. Each included the specified coal tar epoxy coating for the channel and a 1-1/4 Cr Alloy steam inlet nozzle.

Both TEI and YUBA are technically acceptable. TEI is the low bidder with a bid price of \$242,500 and, therefore, is recommended as the successful vendor.

SPECIFICATION SM-113
BYPASS CONDENSER
BID TABULATION (Revision 1, 3/8/05)

DESCRIPTION	BIDDER		
	TEI	YUBA	HOLTEC INTERNATIONAL
Total Price	\$242,500 FOB Jobsite	\$473,120 FOB Jobsite	Technically Not Acceptable
Size	62" ID x 120"	66 - 140	
Type	Vertical U-Tube	Vertical U-Tube	
Total Sq. ft (Gross)	4,588	4,505	
Condensing Zone	3,158 ft ²	3,087 ft ²	
Drain Subcooling Zone	600 ft ²	640 ft ²	
U Factor Condensing Zone Subcooling Zone	247 189	251 176	
Number of Passes	2 Zones	Two (2)	
Position	Vertical Channel Down	Vertical Channel Down	
Condensing Zone Heat Load (Design)	178,885,000 B/hr	178,885,000 B/hr	
Drain Subcooling Zone Heat Load (Design)	19,900,000 B/hr	19,944,000 B/hr	
Tubes	317L SS, 1.0 OD/8 BWG Wall, 120" long	317L SS, 1-1/4" OD, .060" wall, 11'-8" straight	
Number of Tubes	768	520	
Tube Diameter	1" OD	1-1/4" OD	

DESCRIPTION	BIDDER		
	TEI	YUBA	HOLTEC INTERNATIONAL
Tube Attachment	Rolled	Rolled	
Tube Side Relief Valve	Included	By Others	
Shell and Bundle	37,000 lbs		
Bundle	21,000 lbs		
Flooded	57,000 lbs		
Steam Inlet Size	18" BW	20" BW	
Drains Outlet Size	6' FLG	8" FLG	
Circulating Water Connections	30" size (FLG)	30" Size (FLG)	
Coal Tar Epoxy Coating for Channel	Yes	Yes	
1-1/4 Cr Alloy Steam Inlet Nozzle	Yes	Yes	

ATTACHMENT 1 (Revision 1 3/8/05)

SUBMITTED TECHNICAL DATA

SPECIFICATION SM-113

BYPASS CONDENSER

ATTACHMENT 2 TEE PROPOSAL
05008X REV. 1

Customer	Lee County, Florida			Date	12-10-04	
Engineer/Consultant	Burns and Roe Enterprises, Inc			Cust. Ident. No.		
Address				Mfg. Ident. No.		
Plant Name	Lee County WTE Expansion			Proposal No.		
Plant Location	Fort Myers, Florida			Job No.		
1 Service of Unit	Bypass Condenser			Item No.		
2 Size	62" ID x 120" Type Vertical U-Tube			Prepared By	A.S.	
3 Surface Per Shell	3758	Effective	Sq. Ft.	Total	4588 Sq. Ft.	
4 No. of Shells Per Unit	1	No. of Units	1	Position	Vertical, Channel Down	
PERFORMANCE OF ONE SHELL - Design Case						
		Shell Side		Tube Side		
5 Fluid Circulated		Steam	Drains	Feedwater		
6 Total Fluid Entering	#/HR.	162,000	—	16,000 gpm		
7						
8 Inlet Enthalpy	BTU/#	1410.6	—	62.1		
9 Outlet Enthalpy	BTU/#		186.3	88.0		
10 Inlet Temperature	°F.	76.4 (338 SAT.)		94		
11 Outlet Temperature	°F.	212		120		
12 Operating Pressure	PSIA	114.7 @ Inlet		50		
13 Number of Passes		2 ZONES		2		
14 Velocity	FT./SEC.	Not Applicable		9.93 @ 60°F		
15 Pressure Drop	PSI	DSH N/A	DC .2			
	Heat Exchanged BTU/HR.	Surface Sq. Ft. Effective	LMTD °F.	Transfer Rate BTU/HR/ SQ. FT./°F.	Baffle Spacing	Reference Temperature Differences
16 Desuperheating Zone						TTD 217.9°F
17 Condensing Zone	178,865,000	3158	229.4	247		
18 Drain Subcooling Zone	19,900,000	600	176.2	189		DCA 124°F
CONSTRUCTION—EACH SHELL						
		Shell Side		Tube Side		
19 Design Pressure	PSI	450 psig and Full Vacuum		100		
20 Test Pressure	PSI	585		130		
21 Design Temperature	°F	SHELL 830	SKIRT	350		
22 Tubes	317 LSS No. 768 (U's) (SPE)	1.0 O.D.	18 BWG WALL	Length	120"	
23 Shell	Steel	62" ID.	THICKNESS	Pitch	1.25" TRIANGULAR	
24 Shell Cover	Steel — Welded to Shell		Shell Skirt	2R-MO .75" THICKNESS		
25 Channel	Steel		Channel Cover	Steel		
26 Tubesheet	Steel		Overlay			
27 Support Plates — Steel	Air Baffle		Zone Baffle—Steel			
28 Shrouds: DSH	N/A	DC	Impingement Baffles	35		
29 Type Joints—Shell Side			Tube Side			
30 Gasket—Shell			Channel			
31 Connections: Steam—Inlet	18" (W.E.) (FLGD)		Drains—Inlet	N/A (W.E.) (FLGD)		
32	Drains—Outlet	6" (W.E.) (FLGD)				
33	Feedwater—Inlet	30" (W.E.) (FLGD)	Outlet	30" (W.E.) (FLGD)		
34 Code Requirements:	ASME SECT. VIII DIV.	Heat Exchange Institute				
35 Weights—Shell and Bundle	37000	Bundle	21000	Flooded	57000	
36 Accessories: Shell Relief Valve	BY CUSTOMER	Tube Side Relief Valve	CONSOLIDATED			
37	Shell Gage Glass					
38 Method of Tube Attachment (Rolled) (Welded)						
39 Remarks:						
40						
41						
42						
43						

Lindsey Sampson - Bypass Condenser - Vendor Selection and Recommendation

From: "Young,Peter" <pyoung@CovantaEnergy.com>
To: "Lindsey Sampson" <SAMPSON@leegov.com>, "Dennis Iavarone" <diavarone@roe.com>, "D'Amico,Don" <ddamico@roe.com>
Date: 3/14/2005 6:05 PM
Subject: Bypass Condenser - Vendor Selection and Recommendation
CC: "Stuhrke,Steve" <sstuhrke@roe.com>, <rgaspercic@roe.com>, "Anacker,Dennis" <danacker@CovantaEnergy.com>, "Jim Kelly" <jkelly1119@verizon.net>

Based on B&R's Bypass Condenser Bid Evaluation, Rev. 1, dated March 9, 2005, Covanta concurs with B&R's recommendation to purchase the subject package from Thermal Engineering International (TEI). The following comments are for your consideration and guidance:

1. Commercial Terms & Conditions – The attached T&C's represent Covanta's suggested changes (in red) to the changes TEI proposed (in green). County to determine final acceptable T&C's.
2. Price: The "Revised Recommended Award Price" includes a fouling factor consistent with the Existing Facility's bypass condenser design which Covanta continues to recommend. In response to D. Anacker's March 9, 2005 email (below) requesting confirmation whether the pressure drop will meet the specification, TEI increased its price by \$5,000 (per attached email). If B&R concurs with this, the purchase order price changes to **\$241,500**, excluding the bond cost. This amount compares to the last Project Estimate cost of \$236,500; a negative \$5,000 variance.
3. Bond: The above pricing excludes \$6,000 (or 2.5%) for a 100% performance bond. The benefit of a 100% bond is limited and the County could consider reducing or deleting the bond for this equipment supply. Note that payment terms proposed require 50% of the contract price paid prior to delivery to the jobsite.
4. Delivery Date of March 15, 2006 is consistent with the current Project's Master Project Schedule based on the GC mobilizing by November 2005.

B&R should proceed immediately in completing and submitting 1) a purchase order term sheet that reflects the final agreements and understandings to be incorporated into the purchase order, and 2) a conformed specification, with all data sheet data filled-in, for inclusion in the purchase order.

County needs to address the open items listed above; eg: T&C's and bonding.

B&R's original and current schedule for issuing this PO is March 7, 2005 and March 18, 2005, respectively. Covanta recommends that the County approve TEI's award and release no later than three (3) weeks from B&R's bid Evaluation (by March 29, 2005).

Peter

-----Original Message-----

From: Anacker,Dennis
Sent: Friday, March 11, 2005 4:35 PM
To: Young,Peter
Cc: Stuhrke,Steve; Bob Gaspercic (rgaspercic@roe.com)
Subject: Bypass Condenser Bid Evaluation Rev. 1, Covanta Purchase Recommendation

I have reviewed Burns and Roe's revised evaluation of the bypass condenser and concur with their recommendation to purchase the unit from TEI.

I advised Burns and Roe that the TEI data sheet submitted with their evaluation still did not include the data sheet materials designations I had requested be filled in. They also need to confirm that the water

side pressure drop (also not included on the data sheet), is in conformance with the specified 6 psi maximum of the specification, because it is a required guarantee of the specification. On this item, it is up to Burns and Roe as to whether to accept a marginally higher pressure drop as long as it does not impact their circulating water design requirements, and as long as it does not exceed the specification limit by more than 2 psi.

Bob Gaspercic advised me that he will follow up with the TEI.

Upon resolution of these and any other commercial issues, they should proceed with the purchase.

Thanks

Dennis Anacker