

MEMORANDUM

TO: MAYOR JENSEN AND BOROUGH ASSEMBLY
FROM: KARL HAGERMAN, UTILITY DIRECTOR 
SUBJECT: AWARD RECOMMENDATION – SCOW BAY GENERATOR #2 PROCUREMENT
DATE: 9/11/2023
CC: STEVE GIESBRECHT, BOROUGH MANAGER

Petersburg Municipal Power and Light (PMPL) issued a Request for Proposals (RFP) for the Scow Bay Generator #2 Procurement project on April 28, 2023.

On July 17, 2023, the Petersburg Borough received and opened all submitted proposals which met the RFP deadline. Cummins, SMS Equipment and Marine Services Inc./Viridi Power (MSI/VP) all submitted proposals prior to the deadline. An evaluation committee of PMPL leadership and staff scored the proposals as submitted and in accordance with the criteria stated in the Request for Proposals.

As a result of the evaluation and scoring process, Marine Services Inc./Viridi Power was ranked as the vendor team with the proposal that best met the criteria of the RFP. The PMPL Consultant for this project, David Buss P.E., concurred with the scoring of MSI/VP as the top ranked proposal and recommended negotiations with that vendor.

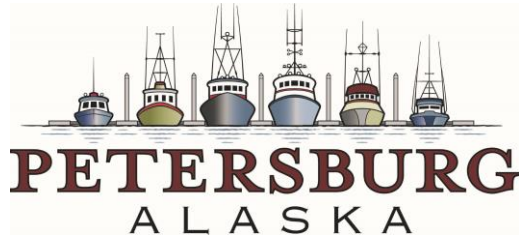
After negotiating with MSI/VP, PMPL has arrived at revised terms that are acceptable to the department. Therefore, PMPL recommends awarding a contract for the Scow Bay Generator #2 Procurement to MSI/VP and enter into an agreement to that end.

Therefore, it is recommended that the Borough Assembly award a contract to Marine Services Inc./Viridi Power for supply of a 3.5MW EMD diesel generator, remote radiator, coolant expansion tank, motor control center, compressed air starting system, equipment engineering and on-site commissioning support for a cost not to exceed \$2,047,000.00. Shipping of the ancillary equipment is included, however shipping of the generator from Houston, Texas to Petersburg will be the responsibility of the Borough. The unit will be ready to ship 8 months after the award. The current capital project fund balance can meet this procurement and anticipated shipping costs.

The diesel generator being offered is a 2009 20-cylinder EMD in excellent condition, with less than 700 hours of total run time, and an 11kV generator end which has been tested to show it to be in great condition. MSI will offer a full 18-month warranty on the unit – as if it were new.

As full funding for the project is not yet available, a multi-phased approach is being taken to move toward ultimate completion. Following the award of the generator purchase, PMPL will engage Electric Power Systems for site and electrical design services. Design and construction of a building to house the generator will follow, as well as specifying and ordering of the transformer to convert the generator output to distribution voltage.

Thank you for your consideration.



Petersburg Borough - PMPL
 Scow Bay Generator #2 Procurement Request for Proposals
 Deadline for submission July 17, 2023 4:30pm

Proposal Scoring and Ranking Summary

Proposer	Evaluator's Scoring					Average Score	Ranking
	#1	#2	#3	#4	#5		
Marine Systems Inc., Seattle, WA	102	90	96	114	82	96.8	1
Cummins, Anchorage, Alaska	54	70	74	80	40	63.6	3
SMS Equipment Anchorage, Alaska Proposal #1 (2 x 2.0MW)	32	56	64	64	56	54.4	4
SMS Equipment Anchorage, Alaska Proposal #2 (10 x 400kW)	58	56	80	60	66	64	2

Marine Systems Inc. of Seattle Washington (MSI) is the top ranked respondent to this solicitation. PMPL intends to negotiate with MSI toward an award of a procurement contract. If successful negotiations are not reached, PMPL will reach out to the next ranked proposer to begin negotiations, and so on until a contract is awarded. Once contract terms are settled and an award recommendation is prepared for Petersburg Borough Assembly consideration, an Intent to Award notice will be sent to all Proposing companies and all proposals shall be open for review by competing proposers. Thanks to all companies that responded to this solicitation.

Karl Hagerman, Utility Director