

October 15, 2014

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

**SUBJECT: Procurement (Services) Contract –
HRSG Valves and Platform Installation Project –
Contract Award**

SUMMARY

The Trustees are requested to approve a two-year contract, in the amount of \$2.24 million, to Fresh Meadow Mechanical Corp. (“FM”) to perform Heat Recovery Steam Generator (“HRSG”) Valves and Platform Installation, (the “Project”) at the 500 MW Combined Cycle Power Plant (The Facility) in Astoria, New York.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for procurement contracts involving services to be rendered for a period in excess of one year.

The Authority’s Expenditure Authorization Procedures (“EAPs”) require the Trustees’ approval for the award of non-personal services, construction, equipment purchase or non-procurement contracts in excess of \$3 million, as well as personal services contracts in excess of \$1 million if low bidder, or \$500,000 if sole-source, single-source or non-low bidder.

This project is Part 2 of the approved Capital Project and includes the installation of the HRSG redundant block and bleed valves and associated maintenance platforms. Part 1 was awarded in September 2014 and included equipment procurement as well as the installations for the Fuel Gas (“FG”) system. To ensure proper Lock-Out/Tag-Out and safe operation of the systems, a second or “redundant” block and bleed valve, along with new platforms for safe maintenance access, needs to be installed. . Currently, the 500 MW FG and HRSG systems do not have these redundancies. To install these valves, a full plant outage is required. The prior awarded Part 1 work will occur during the Fall 2014 outage; this Part 2 work will be implemented in the upcoming 2015 outage.

DISCUSSION

In response to the Authority’s request for proposal advertised in the New York State *Contract Reporter* on May 23, 2014, one proposal was received for the HRSG work on June 25, 2014. Through clarifications with the sole bidder and those who downloaded the bid documents the Authority issued an addendum and requested revised bids due by July 22, 2014. Four bids were received as listed below.

BIDDING CONTRACTOR	LOCATION	BID*
Fresh Meadow Mechanical Corp.	Fresh Meadows, NY	\$2,240,000.00
Megrant Corporation	West Babylon, NY	\$2,360,000.00
Durr Mechanical Construction Inc.	New York, NY	\$3,321,797.00
Dynamic Mechanical Contractors	Hackensack, NJ	\$4,058,000.00
NYPA FCE	White Plains, NY	\$2,480,911.00

*Performance and Payment Bonds included in Prices

On July 30, 2014, pre-award interviews were conducted with the two lowest bidders Fresh Meadow Mechanical Corp. (“FM”) and Megrant Corporation (“MC”) and the Evaluation Committee, consisting of representatives from Project Management, Procurement, Engineering and GPI), the Authority’s consultant engineer to review and confirm various technical and commercial aspects of their bid.

Both bidders demonstrated a complete understanding of the work and confirmed schedule compliance and are prepared to have skilled labor available during extended hours, if necessary, to accommodate completion of the work during the Outage. Both bidders have adequate experience and presented an acceptable approach to the work in accordance with the technical drawings and specifications. Based on the interviews and abbreviated (10-day) Outage period, the evaluation committee recommends awarding this work to FM. FM was awarded a \$300,000.00 contract for Part 1 of the work in September 2014 and has successfully worked with the Authority on the 2011 and 2013 Flynn HRSG Refurbishment Projects. FM has met all requirements of the bid documents, has a clear understanding of the scope, is capable of completing the work in accordance with the schedule and is the lowest bidder. The company’s bid is consistent with NYPA’s Fair Cost Estimate.

FISCAL INFORMATION

Payments associated with this Project will be made from the Capital Fund under the \$5.66 million Capital Expenditure Authorization Request (“CEAR”) approved by the Trustees in January 2014.

RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Vice President – Engineering, the Acting Vice President – Project Management, the Acting Vice President – Procurement and the Regional Manager – SENY recommend that the Trustees approve the award of a two-year contract in the amount of \$2.24 million, to Fresh Meadow Mechanical Corp. of Fresh Meadows, New York, for the 500 MW Heat Recovery Steam Generator (“HRSG”) Valves and Platform Installation Project.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Gil C. Quiniones
President and Chief Executive Officer

RESOLUTION

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award a two-year contract in the amount of \$2.24 million, to Fresh Meadow Mechanical Corp. of Fresh Meadows, New York for the 500 MW Heat Recovery Steam Generator (“HRSG”) Valves and Platform Installation Project as recommended in the foregoing memorandum of the President and Chief Executive Officer

Contractor

Fresh Meadow Mechanical Corp.
Fresh Meadows, NY

Contract Approval

Two-Year Contract

\$2,240,000

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chair, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.