

COUNCIL ACTION FORM

SUBJECT: COMPLETION OF POWER PLANT UNIT 8 AIR HEATER BASKET REPLACEMENTS

BACKGROUND

On September 13, 2011, City Council approved preliminary plans and specifications for Power Plant Unit 8 Air Heater Basket Replacement. This project involved the purchase and installation of basket and associated materials that need to be replaced in the regenerative air heaters on Unit 8. This portion was for the purchase of basket and associated materials.

On October 12, 2011, bids were received and evaluated by Electric Services staff, who determined that the bid submitted by Alstom Power, Inc. was acceptable. The amount of the contract as awarded on November 1, 2011, was \$95,962.

There was one City Council approved change order issued in the not to exceed amount of \$20,000. This brought the total contract amount with the one change order to \$115,962. The actual amount of work required to fulfill the change order was only \$12,527.15, resulting in a total cost of \$108,489.15 for this portion of the project.

The approved FY 2011/12 budget and Capital Improvements Plan included \$150,000 for this Unit #8 Air Heater Basket Replacement project. This included \$100,000 for the materials and \$50,000 for the installation. The Engineer's estimate of the total installed cost for this project was \$165,000.

The final cost of this project, which includes \$29,182 for installation by another contractor, \$95,962 for materials, and \$12,527.15 for the change order, brings the total project cost to \$137,671.15. This amount was significantly less than the Engineer's estimate (by \$27,329) and the 2011/12 CIP amount (by \$12,329).

All of the requirements of the contract have been met by Alstom Power, Inc., and the Power Plant Engineer has provided a certificate of completion.

ALTERNATIVES:

- 1) Accept completion of the contract for the Unit 8 Air Heater Baskets.
- 2) Delay acceptance of this project.

MANAGER'S RECOMMENDED ACTION:

This contractor has supplied the air heater baskets and associated materials to fulfill the terms of the contract. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.