

COUNCIL ACTION FORM

SUBJECT: COMPLETION OF SPRING 2014 POWER PLANT BOILER REPAIRS

BACKGROUND

On October 22, 2013, City Council approved preliminary plans and specifications for the Spring 2014 Boiler Repairs. The overall project was for labor and materials for replacement of the primary superheater attemperator, disassembly/reassembly of the boiler ash grates, replacement of the boiler water seal box/trough and box/trough seal plates, ash grate shafts and bearings, ash hopper refractory, undergrate air metal bellows expansion joint, and designated undergrate air ductwork in the Unit No. 8 Boiler. The purchase of the attemperator itself was awarded by Council on Oct. 8, 2013, and that contract was accepted as complete on May 27, 2014.

On November 27, 2013, bids were received and staff determined that the low bid submitted by ProEnergy Services, LLC was acceptable. The amount of the contract as awarded on December 10, 2013, was \$331,069.50 plus applicable sales taxes to be paid directly by the City of Ames to the State of Iowa.

There were four change orders to this contract.

Change Order No. 1 for \$23,000 was to increase funds to cover miscellaneous repair work as uncovered during demolition.

Change Order No. 2 for \$133,000 was for: 1) repair and replacement of steel hopper and inlet deck with stainless steel; 2) replacement of under refractory concrete; and 3) replacement of the airfoil.

Change Order No. 3 for \$23,500 was to increase funds to cover replacement of the structural connection between the boiler bottom and the grate support system.

Change Order No. 4 for \$155,493 was to increase funds to cover for the additional costs for the work required to complete the work items listed in Change Order No's. 2 and 3.

The contract amount including these four change orders is \$666,062.50.

The engineer's estimate for the purchase of the attemperator was \$155,000. The cost of the attemperator was covered using FY 2013/14 operating funds budgeted for power plant boiler parts and supplies. The engineer's estimate for the boiler repairs work (labor and materials) was \$461,000, and the original funding identified from the FY2013/14

Electric Production operating budget was \$475,000 from the Unit #8 Boiler Maintenance account. City Council approved additional funding to cover the balance from the approved FY14/15 Electric Production operating budget, which at the time contained \$536,000 in the Unit No. 8 Boiler Maintenance account.

Below is a summary of all the project costs:

<u>Attemperator (purchased separately):</u>	
\$163,406.35*	Bid award amount for Replacement Superheater Attemperator * Inclusive of Iowa sales tax
<u>Spring 2014 Boiler Repairs:</u>	
\$331,069.50**	Bid award amount for Spring 2014 Boiler Repairs
\$23,000.00**	Contract Change Order No. 1 to Spring 2014 Boiler Repairs
\$133,000.00**	Contract Change Order No. 2 to Spring 2014 Boiler Repairs
\$23,500.00**	Contract Change Order No. 3 to Spring 2014 Boiler Repairs
\$155,493.00**	Contract Change Order No. 4 to Spring 2014 Boiler Repairs
	** These amounts do not include applicable sales tax which the City has paid directly to the state of Iowa.
<u>\$666,062.50</u>	Total for Spring 2014 Boiler Repairs
<u>Overall:</u>	
<u>\$829,468.85</u>	Attemperator and Spring 2014 Boiler Repairs

All of the work included in the contract with ProEnergy Services, LLC has now been completed, and the Power Plant Engineer has provided a certificate of completion.

ALTERNATIVES:

- 1) Accept completion of the contract for the Spring 2014 Boiler Repairs with ProEnergy Services, LLC at a total cost of \$666,062.50, and authorize final payment to the contractor.
- 2) Delay acceptance of this project.

MANAGER'S RECOMMENDED ACTION:

The contractor for the Spring 2014 Boiler Repairs has completed the work under the contract. The Power Plant Engineer has issued a certificate of completion on the work, and the City is legally required to make final payment to the contractor.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.