

COUNCIL ACTION FORM

SUBJECT: UNIT 8 TURBINE GENERATOR OVERHAUL – DELAY OF BID DUE DATE

BACKGROUND:

The Unit # 8 Turbine Generator is scheduled to be disassembled, inspected, and repaired at the same time as the Unit 8 Boiler Repair Project. **This work is required to replace worn parts and inspect the turbine and generator for repairs that may be needed to prevent unplanned turbine/generator outages, prevent costly turbine/generator damage, and increase turbine/generator reliability.** Repairs and replacement of worn parts will be completed as the inspection progresses.

Experience has shown that certain parts require replacement every major overhaul and some parts become unusable during the disassembly process. This overhaul and parts replacement are required and recommended by the original equipment manufacturer and boiler and machinery insurance carriers and follows accepted industry standards.

The Engineer's estimate of the cost of the total project is \$2,488,000.

The approved Capital Improvements Plan includes the following funding for the Unit 8 Turbine Generator Overhaul.

2019/20 Materials/Parts	\$1,000,000
2019/20 Construction (this contract)	1,650,000
<u>2019/20 GE Tech Support</u>	<u>350,000</u>
TOTAL	\$3,000,000

Parts have been purchased at a cost of \$1,348,974.66, which is higher than the budgeted amount for parts. However, using the turbine generator overhaul recently completed on Power Plant Unit #7 as a guideline, the construction/technical support cost for this project should be less than the \$2,000,000 budgeted. Staff believes that the increase in Material/Parts cost will not cause the project to exceed the overall \$3,000,000 approved budget.

The proposed start date for this work is estimated to be delayed until the first quarter of 2021. This delay is a result of other projects that could potentially be ongoing at the same time (Unit #8 Crane Overhaul, Unit #8 Boiler Overhaul). Additionally, as a result of the technical nature of questions received during the pre-bid meeting and contractor site visits, staff believes it would be in the best interest of the Power Plant and the bidders to extend the due date for receiving

bids. This would allow the City of Ames to provide more detailed responses to vendor questions, to ensure more accurate bid pricing.

Therefore, staff proposes to extend the bid due date from July 29, 2020 to August 12, 2020. The date for the hearing to report bids and award the contract would likewise be delayed from August 11, 2020 to August 25, 2020.

ALTERNATIVES:

1. Approve date changes for the Unit 8 Turbine Generator Overhaul and set August 12, 2020 as the new bid due date, August 25, 2020 as the new date of hearing and award of contract. These changes should allow the project to commence on January 6, 2021.
2. Do not modify the dates and leave them as currently established.

CITY MANAGER'S RECOMMENDED ACTION:

Extending the due dates will allow the potential bidders the time needed to prepare a complete bid package for the Unit 8 Turbine Generator Overhaul and will likely improve the quality and pricing of the bids the City receives.

Therefore, it is the recommendation of the City Manager that the Council approve Alternative #1 as stated above.