

## COUNCIL ACTION FORM

**SUBJECT: APPROVAL OF PRELIMINARY PLANS AND SPECIFICATIONS FOR THE UNIT 8 STACK REPAIR**

**BACKGROUND:**

This project is for the repair of the Unit 8 stack located at the Power Plant. The stack carries the exhaust combustion products from the boiler and disperses them at a safe height. The project proposed here will repair the cracked and broken liner in Unit No. 8 steel stack by replacing the gunite lining system in the top one-hundred (100) feet of the stack. This will be done by removing the top 100 feet of refractory lining, prepare the surface and then install a new spray on lining. The liner is made of insulating material that protects the steel stack from the high gas temperatures. The steel stack will fail prematurely without an adequate liner.

Staff contacted an industrial chimney firm to perform an inspection on the Unit No. 8 stack at the Electric Services Power Plant. The purpose of this inspection was to have the firm assess the structural condition of the Unit No. 8 stack's exterior and interior surfaces, accessories, appurtenances, components, and equipment. Based on the results of this inspection, the Unit No. 8 stack exterior and interior surfaces were found to be in poor to satisfactory condition.

The Engineer's estimate of the cost of the repair is \$397,000. The approved FY 2010/2011 operating budget for the Power Plant contains \$350,000, for Unit No. 8 stack repair. A total of \$17,000 of this budgeted amount was used for the engineering portion of the project, and as a result \$333,000 remains to do the repair work.

The Engineer's estimate exceeds the budgeted amount by \$64,000. Additional funding will be made available from the approved FY 2010/2011 Electric Production operating budget should the cost of the work exceed available funding when actual costs are known. **This is a priority project, and staff will look at delaying or eliminating other work in the current year to set aside the funds necessary to complete this repair.**

Upon City Council approval and receipt of favorable bids, this work would begin during the Unit 8 spring 2011 outage which is scheduled to begin April 1, 2011. It is the goal to have this project complete by May 15, 2011.

**ALTERNATIVES:**

1. Approve the preliminary plans and specifications for the Unit 8 Stack Repair and set September 1, 2010, as the bid due date and September 14, 2010, as the date of hearing and award of contract.
2. Delay the repair of the Unit 8 stack.

**MANAGER'S RECOMMENDED ACTION:**

This project will address the cracked and broken liner in the Unit #8 stack by replacing the upper 100 feet of liner. It is crucial to have this work done because the steel stack is at risk of failing prematurely due to the cracked liner. The Unit cannot operate without a functioning stack to transport the exhaust away from the boiler.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the preliminary plans and specifications for the Unit # 8 Stack Repair, and set September 1, 2010, as the bid due date and September 14, 2010, as the date of public hearing.