

## **COUNCIL ACTION FORM**

### **SUBJECT: ACCEPTANCE OF COMPLETION FOR POWER PLANT UNIT NO. 8 STEAM GENERATOR WATERWALL PANELS PROJECT**

#### **BACKGROUND**

On February 24, 2009, the City Council approved the preliminary plans and specifications for the Unit No. 8 Steam Generator Waterwall Panels Project. The project consisted of addressing tube wastage by replacing the bottom 50 feet of tubing in the Unit No. 8 boiler.

This portion of the project was for the purchase of tubing material only. Installation for these tubes will be performed separately by a different contractor. A budget of \$4,500,000 was included in the 2009/10 Capital Improvements Plan (CIP) for material and installation. The Engineer's estimated cost for this material was \$1,621,000.

On April 15, 2009, bids were received and evaluated by Electric Services staff, who determined that the low bid submitted by Boiler Tube Company of America (BTA) was acceptable. The amount of the contract as awarded on April 28, 2009, was \$1,408,355 (plus applicable sales taxes).

There were a total of five change orders for this contract, bringing it to a total cost of \$1,683,443.00. Change Order No. 1 for \$16,235.00 was for BTA to split the sidewall panels in half, which will make them a more manageable size to assist with the installation. Change Order No. 2 for \$47,833.00 was for BTA to install studding in the burner throats of the waterwall panels in its shop as a cost savings in lieu of having those studs field installed at greater expense. Change Order No. 3 was for an extension of the contract time from January 14 to January 28, 2010. This change was a correction as the quotation for change order 2 required a two week extension that was not included in the scope of Change Order No. 2. Change Order No. 4 for \$208,629.00 was for BTA to fabricate six additional panels needed to address the additional damage discovered during a forced outage inspection in December 2009. Change Order No. 5 for \$2,391.00 was issued to cover pre-pay and add freight charges for the material shipped on Change Order No. 4.

All of the material in the contract with Boiler Tube Company of America has now been delivered, and the Power Plant Engineer has provided a certificate of completion. The total contract amount including the change orders is \$1,683,443.00.

**ALTERNATIVES:**

- 1) Accept completion of the contract for the Unit No. 8 Steam Generator Waterwall Panels with Boiler Tube Company of America, at a total cost of \$1,683,443.00, and authorize final payment to the contractor.
- 2) Delay acceptance of this project.

**MANAGER'S RECOMMENDED ACTION:**

The contractor for the Unit No. 8 Steam Generator Waterwall Panels has delivered all of the material specified 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.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving completion of the contract for the Unit No. 8 Steam Generator Waterwall Panels with Boiler Tube Company of America, at a total cost of \$1,683,443.00, and authorizing final payment to the contractor.