

**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT COAL HANDLING FIRE PROTECTION PROJECT –  
ENGINEERING CONTRACT CHANGE ORDERS**

**BACKGROUND:**

This project is for the review and re-engineering of a fire suppression system for the Power Plant. The City's insurance carrier, FM Global, has made several loss prevention recommendations for the Plant. This system would cover numerous coal handling areas within the Plant as part of the overall fire protection plan. This project would protect the coal handling system from the coal pile through the conveyor system and into the coalbunkers and pulverizers. A serious fire in any one of the systems could be catastrophic and could force the outage of both Unit #7 and Unit #8. Replacement power during an extended period of time could be extremely costly.

On August 9, 2005, City Council awarded a contract to Brown Engineering Company for design work on fire suppression measures at the Power Plant in the amount of \$78,100.00.

On May 24, 2007, one single construction bid was received to complete the work, at a cost of \$1,177,700, which exceeded the available funding for this project by \$294,700. During the project bidding process, numerous firms expressed interest in the project, and requested bid documents, but ultimately did not bid. It was the opinion of staff and Brown Engineering that more firms would bid on smaller segments of the project, as the size of the project at that time was beyond the capacity of many local firms to manage. As a result, the bid was rejected and the project was broken up into three smaller phases.

**Change order No.1 was issued to Brown Engineering to modify the specifications and drawings as required to divide up the project into three (3) phases. This change order for \$18,000 was issued August 8, 2007.** City Council should note that due to staff oversight, change order No. 1 was not presented to City Council for approval and was actually issued on a separate purchase order in error. This brought the engineering contract total to \$96,100 for fire protection design work.

On May 13, 2008, a construction contract was approved in the amount of \$601,241 for the completion of the water main supply connections, installation of the deluge control valves and water wash connections in the dump and reclaim pits. This was the majority of the work identified in Phase 1 of the fire protection modifications.

**Change order No. 2 is to now have Brown Engineering Company modify the existing plans and specifications for fire protection systems to reflect the work actually remaining to complete Phases 2 and 3 of the fire protection project and reflect changes made to priorities for the coal handling system. In addition, Brown will review all documentation to insure all present code requirements are met and re-certify all documents and drawings. Existing certification has expired.**

**This plan modification work is for the not-to-exceed amount of an additional \$19,800. The total contracted amount for the engineering work with Change Orders 1 and 2 will now be \$115,900. An amount of \$120,000 is in the 2010/11 CIP under Power Plant Fire Protection to cover the cost of this engineering work. Another \$250,000 is in the 2011/12 CIP to start the construction work on Phases 2 and 3.**

**ALTERNATIVES:**

1. Confirm change order No.1 for \$18,000.00 and approve contract Change Order No. 2 in the not-to-exceed amount of \$19,800.00 to Brown Engineering Company for reconfiguring the coal conveyor fire protection design plan (Phases 2 and 3) for the Power Plant Coal Handling Fire Protection Project. This will bring the total engineering contract cost to \$115,900.00.
2. Confirm change order No. 1, but reject contract Change Order No. 2 and do not install the remaining portions of the fire protection system.

**MANAGER'S RECOMMENDED ACTION:**

This work is necessary in order to decrease the danger of a catastrophic fire at the Power Plant. It is also a step that is recommended by the City's insurance carrier. However, the project must be carried out in a way that is economically feasible to the Utility.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby confirming change order No. 1 for \$18,000.00 and approving contract Change Order #2 in the not-to-exceed amount of \$19,800.00 to Brown Engineering Company for reconfiguring the coal system fire protection design plan, in order to complete Phases 2 and 3 of the Power Plant Fire Protection work. This will bring the total engineering contract cost to \$115,900.00.