

COUNCIL ACTION FORM

SUBJECT: COMPLETION OF POWER PLANT UNIT 8 FEEDWATER HEATER REPLACEMENT PROJECT

BACKGROUND

On March 6, 2012, City Council approved preliminary plans and specifications for this project to supply and replace feedwater heaters on Power Plant Unit 8. On April 11, 2012, Council received a bid for the Unit 8 Feedwater Heater Replacement Project from SPX Heat Transfer, Inc. The amount of the contract as awarded on May 22, 2012, was \$752,007, plus applicable sales taxes to be paid directly by the City of Ames to the State of Iowa.

There were two change orders to this contract.

Change Order No. 1 was a \$2,117 increase to cover costs for arranging transport and delivery of the feedwater heaters using the same "Flatbed" style of trucks used to transfer the turbine for the Unit 8 Overhaul. **Change Order No. 2** was a \$3,000 deduct for labor and materials to correct leaks after heater start up. **The updated contract amount including these two change orders is \$751,124.00.**

The Engineer's estimate of the total contractor cost of this project for Unit 8 was \$875,000. The 2012/13 Capital Improvements Plan included this project.

All of the work included in the contract with SPX Heat Transfer, Inc. has now been completed, and the Power Plant Engineer has provided a certificate of completion.

ALTERNATIVES:

- 1) Accept completion of the contract for the Unit 8 Feedwater Heater Replacement with SPX Heat Transfer, Inc. at a total cost of \$751,124.00, and authorize final payment to the contractor.
- 2) Delay acceptance of this project.

MANAGER'S RECOMMENDED ACTION:

The contractor has completed this work as specified under the contract, the Power Plant Engineer has issued a certificate of completion for 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.