

**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT UNIT NO. 8 COOLING TOWER REPAIRS**

**BACKGROUND:**

Upon routine inspection of the Unit No. 8 Cooling Tower, staff discovered significant damage from continued use and extreme weather conditions this past winter. Numerous urgent repairs are required in order to restore the structural integrity of this tower for use during the coming summer and winter. The enclosed photos show a sampling of the extent of the damage to the structural members.

**On February 7, 2014, staff issued a purchase order to GEA Heat Exchangers, Inc, for inspection and supervision of repair work to the unit #8 cooling tower in the not-to-exceed amount of \$35,000.** The scope of the work was for GEA to provide one Cooling Tower Superintendent for three weeks to provide technical services to Power Plant crews on how to perform the in-kind structural replacement and repairs during the spring outage for Unit No. 8.

**Change Order No. 1 is now needed to complete this project. This change order will add an additional cost for time and materials not-to-exceed \$62,500. This amount includes \$42,500 for additional supervision and outside labor to accomplish needed repairs and \$20,000 for materials.** This change order is for GEA to supply the manpower and expertise to maintain the structural integrity of the cooling tower. This repair consists of replacing damaged columns and horizontal supports damaged by ice during the winter. **This Change Order will bring the total amount of the contract with GEA Heat Exchanger Inc. to a not-to-exceed amount of \$97,500.** Funding is available in the Unit #8 Steam turbine generator maintenance account to cover this increased expenditure.

This action is being brought to Council because the overall cost of the project exceeded \$50,000. Per the City's *Purchasing Policies & Procedures*, City Council must approve all change orders which increase the dollar amount above \$50,000.

**ALTERNATIVES:**

1. Approve the change order to GEA Heat Exchangers, Inc. in the time and materials not-to-exceed amount of \$62,500 for cooling tower repairs.
2. Reject the change order and risk further deterioration of the cooling tower and possible collapse.

**MANAGER'S RECOMMENDED ACTION:**

This repair is critical to continue operation of the City's largest base-load generator without unnecessary risk of serious equipment damage. Approval of Change Order #1 is necessary to correct the additional issues found and return the cooling towers to service as quickly as possible for the summer season.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.















