

COUNCIL ACTION FORM

SUBJECT: TECHNICAL SUPPORT FOR GAS TURBINE #2 GENERATOR REPAIRS

BACKGROUND:

As a result of this past winter's extreme cold weather, two fuel pumps on the Gas Turbine #2 (GT-2) were damaged. A project was then initiated to examine all of GT-2's critical systems and make certain all debris was removed from the system.

The project began as a contract with General Electric, the Original Equipment Manufacturer, to provide a mechanical technician for two days to support the removal/cleaning of the GT-2 fuel system disassembly and the NOx Water Piping. A purchase order in the amount of \$13,000 was approved by staff for this purpose. Upon inspection, extensive debris was found in the flow meter, manifold, j tubes and nozzles, which extended the contractor's work by two additional days. Change Order #1 in the amount of \$10,000 was then approved by staff to cover the additional days, thereby increasing the purchase order to \$23,000.

With the mechanical technician present, staff then performed a "start-up" of the unit. The start-up failed due to flameout issues. In addition, "water wash programming" issues were identified. To identify and correct the flameout issue, a different technician was needed from General Electric. Therefore, Change Order #2 was approved by the City Manager's Office per the City's Purchasing Policy, increasing the purchase order to \$31,249. The technician determined that GT-2 had a failed Woodward control valve, which has now been sent in for repair.

An additional change order is now needed. Under Change Order No. 3, General Electric will provide a Controls Technician on a time and materials basis to support the installation of the repaired Woodward control valve, calibrate it, and witness a unit start-up to ensure that the flameout issue has been corrected.

This change order will add an additional \$24,000 to the project, bringing the total contract amount to \$55,249. At this dollar level, the City's Purchasing Policy requires City Council approval.

The \$31,249 previously approved was funded from the FY 2013/14 Budget. Since this new work will be performed in FY 2014/15, the added cost will be paid from the FY 2014/15 Budget for GT-2 maintenance, which contains \$48,500.

Staff is waiting to address the "water wash programming" issues until this fall. That issue is not critical to the operation of the unit, and quick return of GT-2 for summer operation is more important.

ALTERNATIVES:

1. Approve contract Change Order No. 3 to General Electric, of Houston, Texas, in the amount of \$24,000 for technical support for the GT-2 repairs.
2. Reject contract Change Order No. 3 and delay the installation of the pump and calibration of the unit.

MANAGER'S RECOMMENDED ACTION:

This installation and calibrating work is critical because, if not completed, GT-2 will not be available for operation during the peak summer load conditions.

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