

COUNCIL ACTION FORM

**SUBJECT: POWER PLANT UNIT 7 TURBINE GENERATOR OVERHAUL
PROJECT – CONTRACT COMPLETION FOR HPI, LLC**

BACKGROUND

On June 25, 2019, City Council awarded a contract to HPI, LLC, Houston, TX in the amount of \$411,464.

There were eleven change orders to the HPI, LLC contract.

Change Order #1: On September 13, 2019, to increase the purchase order by \$15,482.45 for the purchase of additional required generator testing.

Change Order #2: On September 17, 2019, to increase the purchase order by \$225,361.55 for shop rotor and diaphragm repairs.

Change Order #3: On September 19, 2019, to increase the purchase order by \$28,386.00 for additional work to ship Unit 7 turbine rotor and diaphragms for repairs.

Change Order #4: On September 30, 2019, to increase the purchase order by \$14,290.00 for shop repairs on steam seal bushing and spill strips plus freight.

Change Order #5: On November 6, 2019, to increase the purchase order by \$3,412.50 for shipping of the Unit 7 turbine to Orbital Energy for erosion repairs and additional charges due to crane delay.

Change Order #6: On November 26, 2019, to increase the purchase order by \$18,600.75 for additional labor for IMD startup support.

Change Order #7: On December 11, 2019, to increase the purchase order by \$26,709.00 for additional labor for HPI, LLC startup support.

Change Order #8: On January 2, 2020, to increase the purchase order by \$23,204.94 for labor, remote monitoring and additional labor for change orders #3 and #4 due to an unexpected crane downtime and additional onsite nozzle repair work.

Change Order #9: On February 25, 2020, to increase the purchase order by \$2,675.00 for additional labor for screen replacement delay.

Change Order #10: On March 10, 2020, to increase the purchase order by \$6,874.00 for additional labor for the boiler delay on 1/2/20 and 1/3/20.

Change Order #11: On April 27, 2020, to decrease the purchase order by \$11,484.32 to adjust change orders #2, 3, 4, 5, 6, 7, 8 and 10 (estimated vs actual) and to add the Illinois Electric Capital Works testing of the AVT device.

The total contract amount including these eleven change orders is \$764,975.87.

The engineer's estimate for the cost of the total project was \$2,440,000.

Contracts awarded to date on this project are:

HPI LLC (<i>Perform Overhaul</i>)	\$764,975.87
General Electric (<i>Field Engineering Services</i>)	\$360,386.22
MD&A (<i>Turbine Parts</i>)	\$139,936.42
Argo (<i>Turbine Parts</i>)	\$350,881.22
<u>Burns & McDonnell (<i>Engineering</i>)</u>	<u>43,000.00</u>
TOTAL	\$1,659,179.73

All of the requirements of the contract have been met by HPI, LLC.

ALTERNATIVES:

1. Accept completion of the contract for the Unit 7 Turbine Generator Overhaul with HPI, LLC. This Council action form is to release the 5% retainage that was held per the contract terms and conditions.
2. Delay acceptance of this project.

CITY MANAGER'S RECOMMENDED ACTION:

The vendor has completed the overhaul of Unit 7 Turbine Generator under the contract, and the City is obligated to make final payment.

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