

COUNCIL ACTION FORM

SUBJECT: STEAM TURBINE NO. 8 PARTS PROCUREMENT - CONTRACT COMPLETION FOR ALIN MACHINING COMPANY, INC (POWER PLANT SERVICES)

BACKGROUND

On July 14, 2020, Council awarded a contract to Alin Machining Company (Power Plant Services) for parts required for the Power Plant’s Unit #8 Turbine-Generator Overhaul project. **The contract provides parts to replace worn parts and replenish inventory during the inspection and overhaul of the turbine and generator.**

Alin Machining Company, Inc. (Power Plant Services) was awarded a contract in the amount of \$99,637.19, inclusive of sales tax. There were two change orders to the contract:

Change Order #1: On August 5, 2020, a change order was approved to increase the purchase order by \$39,751.01 (inclusive of Iowa sales tax) for additional materials needed for the repairs to the steam turbine.

Change Order #2: On September 1, 2021, a change order was approved to increase the purchase order by \$7,836.45 (inclusive of Iowa sales tax) for additional materials needed for the repairs to the steam turbine.

The final expenditures to Alin Machining Company, Inc. (Power Plant Services), Melrose Park, Illinois total \$147,224.65. All the requirements of the contract have been met by Alin Machining Company, Inc. (Power Plant Services) and the Engineer has provided a certificate of completion.

Argo	Parts	\$ 1,077,109.00
Argo	City to pay sales tax	74,711.63
MD&A	Parts (sales tax included)	190,071.71
Power Plant Services	Parts (sales tax included)	147,224.65
Burns & McDonnell	Engineering	39,176.89
General Electric	Technical Support	353,320.00
BladeRunner	Prime Contractor	1,640,848.06
BladeRunner	City to pay sales tax	114,859.36
	Total	\$ 3,637,321.30

Funding for the Unit 8 Turbine-Generator Overhaul Project was originally budgeted in the 2019/20 CIP in the amount of \$3,000,000. Funds to finance expenses exceeding that amount will be taken from savings related to Unit 7 Boiler Repair Project CIP, the Unit 7 Turbine-Generator Overhaul CIP, and the Unit 8 Turbine & Generator Maintenance account.

In total, funds are available for this project as follows:

2019/20 Unit #8 Turbine Generator Overhaul CIP

Budgeted in CIP:

Materials/Parts	\$1,000,000.00
Construction	1,650,000.00
GE Tech Support	350,000.00
<u>Unit 8 T/G Overhaul CIP Total</u>	<u>\$3,000,000.00</u>

Savings from other CIPS & budget:

Unit 7 Boiler Tube CIP	311,623.00
Unit 7 Overhaul CIP	288,924.12
Unit 8 Turbine & Generator Maint.	55,000.00
TOTAL	\$3,655,547.12

ALTERNATIVES:

1. Accept the completion of the Steam Turbine No. 8 Parts Procurement project by Alin Machining Company, Inc. (Power Plant Services), Melrose Park, Illinois in the amount of \$147,224.65
2. Delay acceptance of this project.

CITY MANAGER'S RECOMMENDED ACTION:

The project has now been completed in accordance with the approved plans and specifications.

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