

COUNCIL ACTION FORM

**SUBJECT: STEAM TURBINE NO. 8 PARTS PROCUREMENT - CONTRACT
COMPLETION FOR MECHANICAL DYNAMICS & ANALYSIS LLC
(MD & A)**

BACKGROUND

On July 14, 2020, Council awarded a contract to Argo Turboserve Corporation 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.

Mechanical Dynamics & Analysis LLC (MD & A), Clifton Park, New York was awarded a contract in the amount of \$144,960.47, inclusive of Iowa sales tax. There were four change orders to the Mechanical Dynamics & Analysis LLC (MD & A) contract.

Change Order #1: On August 5, 2020, a change order was approved to increase the purchase order by \$4,608.69 (inclusive of Iowa sales tax) for additional materials needed for the repairs to the steam turbine.

Change Order #2: On August 11, 2020, a change order was approved to deduction to the purchase order by (\$963) (inclusive of Iowa sales tax) for parts that were not available from the initial order.

Change Order #3: On September 1, 2021, a change order was approved to increase the purchase order by \$39,210 (inclusive of Iowa sales tax) for additional materials needed for the repairs to the steam turbine.

Change Order #4: On December 13, 2021, a change order was approved to increase to the purchase by \$2,255.55 (inclusive of Iowa sales tax) for additional materials needed for the repairs to the steam turbine.

The final expenditures to Mechanical Dynamics & Analysis LLC (MD & A), Clifton Park, New York, total \$190,071.71. All the requirements of the contract have been met by Mechanical Dynamics & Analysis LLC (MD & A) 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
Unit 8 T/G Overhaul CIP Total	\$3,000,000.00

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 Steam Turbine No. 8 Parts Procurement project by Mechanical Dynamics & Analysis LLC (MD & A), Clifton Park, New York in the amount of \$190,071.71.
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 describe above.