

COUNCIL ACTION FORM

SUBJECT: POWER PLANT UNIT 8 TURBINE GENERATOR OVERHAUL PROJECT - CONTRACT COMPLETION FOR BLADE RUNNER TURBOMACHINERY SERVICES, LLC

BACKGROUND

On June 23, 2020, the City Council approved plans and specifications for the Unit 8 Turbine-Generator Overhaul Project. The Unit 8 Turbine-Generator is disassembled at regular intervals to inspect the turbine and the generator for repairs and to install replacement parts that may be needed to prevent unplanned turbine-generator outages, prevent costly turbine-generator damage, and increase turbine-generator efficiency and reliability.

Award of contract was made October 13, 2020, to Blade Runner Turbomachinery Services (BRTS), LLC of Navasota, Texas, for the base bid and Alternate #10 (Turbine Lube Oil System High Speed Flush) in the amount of \$699,800 (plus applicable sales taxes to be paid by the City).

There were five change orders to the Blade Runner Turbomachinery Services contract.

Change Order #1: On September 28, 2021, was done to increase the purchase order by \$607,678.37 (exclusive of Iowa sales tax) to ship the Unit 8 generator rotor offsite to be disassembled, inspected, rewound, and electrically tested and balanced.

Change Order #2: On October 21, 2021, was done to increase the purchase order by \$26,993.86 (exclusive of Iowa sales tax) to disassemble and clean valves and seat.

Change Order #3: On October 26, 2021, was done to increase the purchase order by \$181,357.44 (exclusive of Iowa sales tax) to conduct balance test and for additional repairs to Unit 8.

Change Order #4: On November 23, 2021, was done to increase the purchase order by \$123,843.27 (exclusive of Iowa sales tax) for additional work not included in the original scope due to the Unit 8 crane delay.

Change Order #5: On January 14, 2022, was done to increase the purchase order by \$1,175.12 (exclusive of Iowa sales tax) for additional materials.

All the requirements of the contract have been met by Blade Runner Turbomachinery Services LLC and the Engineer has provided a certificate of completion.

Final expenditures to Blade Runner Turbomachinery Services LLC of Navasota, TX are in the total amount of \$1,640,848.06 (exclusive of sales tax). The Blade Runner expenses are indicated in bold in the table below:

VENDOR	SERVICE	COST
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	311,470.00
Blade Runner	Prime Contractor	1,640,848.06
Blade Runner	City to pay sales tax	114,859.36
Total		\$ 3,595,471.30

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

Materials/Parts	\$1,000,000.00
Construction	1,650,000.00
GE Tech Support	350,000.00
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 completion of the contract with Blade Runner Turbomachinery Services LLC of Navasota, TX for the Unit 8 Turbine Generator Overhaul.
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.