



# City of Grand Island

Tuesday, January 23, 2018

Council Session

## Item G-6

**#2018-13 - Approving Change Order #1 to the Fall 2017 Boiler Inspection and Repair Contract with Hayes Mechanical**

Staff Contact: Tim Luchsinger, Stacy Nonhof

# Council Agenda Memo

**From:** Timothy G. Luchsinger, Utilities Director  
Stacy Nonhof, Assistant City Attorney

**Meeting Date:** January 23, 2018

**Subject:** Fall 2017 Boiler Inspection and Repair-Change Order #1

**Presenter(s):** Timothy G. Luchsinger, Utilities Director

## Background

Every five years an extended outage is conducted at Platte Generating Station to perform a major overhaul of the turbine generator. The most recent major overhaul was performed in the fall of 2017, during which time extensive inspection and maintenance on the main boiler was also performed.

The Fall 2017 Boiler Inspection and Repair contract was bid with a specified scope of work that was based primarily on past major outage experiences to provide a basis for competitive bidding and award. The bidders were also required to provide Time and Material contract rates for scope adjustments that would be based on actual conditions found upon inspecting the boiler. The Engineer's estimate for the contract was \$500,000.00 and bids ranged from \$484,090.00 to \$725,307.00.

The contract was awarded to the low responsive bidders, Hayes Mechanical of Omaha, Nebraska for \$484,090.00 on June 27, 2017.

## Discussion

The boiler contract was based primarily on past outage experiences to provide a basis for competitive bidding and time and material rates for scope adjustments. Actual conditions revealed during the inspection of the unit required major modifications and additions to the scope of work, as follows:

- Inspection of the boiler refractory to develop a repair scope was part of the base bid, with the subsequent repairs to be performed on a time and material basis by the refractory subcontractor.
- The Hayes Mechanical's Insurance Inspector required more extensive radiographic inspection of new welds made during the repair of boiler

tubing than planned for. This additional radiographic inspection work was performed by the testing subcontractor on a time and material basis.

These additions and modifications to the work scope resulted in an additional \$33,320.00, for a final contract cost of \$517,410.00

### **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

### **Recommendation**

City Administration recommends authorizing Change Order #1 to the Fall 2017 Boiler Inspection and Repair at Platte Generating Station for an addition to the contract price of \$33,320.00 to Hayes Mechanical of Omaha, Nebraska.

### **Sample Motion**

Move to approve the Change Order #1 with Hayes Mechanical in the amount of \$33,320.00 for the Fall 2017 Boiler Inspection and Repair at Platte Generating Station.

**INTEROFFICE  
MEMORANDUM**



*Working Together for a  
Better Tomorrow. Today.*

**TO:** Hayes Mechanical  
10608 South 147th Street  
Omaha, NE 68138

**Contract:** 2017-180

**PROJECT:** Fall 2017 Boiler Inspection and Repair

You are hereby directed to make the following change in your contract:

1 Additional payment per the attached spreadsheet.

ADD:           \$33,320.00

The original Contract Sum	<u>          \$484,090.00</u>
Previous Change Order Amounts	<u>          \$0.00</u>
The Contract Sum is increased by this Change Order	<u>          \$33,320.00</u>
The Contract Sum is decreased by this Change Order	<u>          \$</u>
The total modified Contract Sum to date	<u>          \$517,410.00</u>

Approval and acceptance of this Change Order acknowledges understanding and agreement that the cost and time adjustments included represent the complete values arising out of and/or incidental to the work described therein.

**APPROVED: CITY OF GRAND ISLAND**

By: \_\_\_\_\_

Date \_\_\_\_\_

Attest: \_\_\_\_\_

Approved as to Form, City Attorney

**ACCEPTED: Hayes Mechanical**

By: David J. Grogan

Date 1/12/18

**Fall 2017 Boiler Inspection and Repair**

Comments: Additional work due to expansion of work scope in the boiler repair project.

**Contractor: Hayes Mechanical**

**\$484,090.00**

<u>Change Order Request</u>	<u>Description</u>	<u>Amount</u>
001	Inspection of the boiler refractory and radiographic inspection	\$ 33,319.26
002	of new welds	
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028	These additions and modifications to the original work scope resulted in an additional \$33,319.26 to the Contract. (rounded)	
029		
030		
	Total	\$ 33,320.00

RESOLUTION 2018-13

WHEREAS, at the June 27, 2017 meeting, Council awarded the contract for Fall 2017 Boiler Inspection and Repair at Platte Generating Station, to Hayes Mechanical of Omaha, Nebraska, in the amount of \$484,090.00; and

WHEREAS, the boiler contract was based primarily on past outage experiences to provide a basis for competitive bidding and time and material rates for scope adjustments. Actual conditions revealed during the inspection of the unit required major modifications and additions to the scope of work; and

WHEREAS, the additions and modifications to the work scope was performed by the testing subcontractor on a time and material basis; and

WHEREAS, as a result of modifications, Change Order #1 was prepared for \$33,320.00 for a total contract amount of \$517,410.00.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Change Order #1 for Fall 2017 Boiler Inspection and Repair at Platte Generating Station, is approved and the Mayor is hereby authorized to sign Change Order #1 on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, January 23, 2018.

\_\_\_\_\_  
Jeremy L. Jensen, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form	☐ _____
January 19, 2018	☐ City Attorney