



# **City of Grand Island**

**Tuesday, August 28, 2018**

**Council Session**

## **Item G-6**

**#2018-247 - Approving Change Order #3 with General Electric International for Gas Turbine #3 Modified Hot Gas Path Inspection**

**Staff Contact: Tim Luchsinger, Stacy Nonhof**

# **Council Agenda Memo**

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

**Meeting Date:** August 28, 2018

**Subject:** Gas Turbine #3 Modified Hot Gas Path Inspection at  
Burdick Generating Station - Change Order #3

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

## **Background**

Gas Turbine #3 is located at the Burdick Generating Station. The unit was commissioned in 2003 and is used for electrical power generation, primarily operating as a peaking unit for the City. A Borescope inspection performed in September of 2017 revealed that a compressor blade had come loose. An additional borescope inspection was done to find the liberated blade, but it was not located. Without knowing where the blade was located in the unit, it could move and cause further damage in the unit.

A Modified Hot Gas Path Inspection was approved by Council on February 27, 2018, in the amount of \$494,261.00. The Hot Gas Path Inspection commenced on May 21, 2018. Change Orders #1 and #2 were approved by Council on June 26, 2018 for a net increase to the contract of \$50,878.83; for a contract cost of \$545,139.83.

### **Change Order #3**

During the Hot Gas Path inspection, the ten primary and ten secondary fuel nozzles, and the combustion liners were sent to the repair facility for inspections. During the inspection process, flow test and visual inspections were completed. Several fuel nozzles did not meet the flow specifications and the combustion liners need repairs to maintain their function during operation. The repairs while in the facility will cost \$132,090.13. New gaskets are needed to reassemble the fuel nozzles, those materials totaled \$1,870.83. Grand Island Utilities supplemented the labor during disassembly and a credit was given in the amount of \$5,037.92. The total of these repairs, parts, and credit increases the final contract to \$674,062.87.

## **Discussion**

The Modified Hot Gas Path inspection of GT3 Change Order #3 requires a net additional cost of \$128,923.04 for a final contract cost of \$674,062.87.

## **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 #3 to the GT3 Modified Hot Gas Path Inspection at Burdick Generating Station for an addition to the contract price of \$128,923.04, to General Electric International, Inc., of Omaha, Nebraska.

## **Sample Motion**

Move to approve Change Order #3 with General Electric International, Inc., in the amount of \$128,923.04, for the GT3 Modified Hot Gas Path Inspection at Burdick Generating Station.



**INTEROFFICE  
MEMORANDUM**

*Working Together for a  
Better Tomorrow. Today.*

**DATE:** August 28, 2018

**CHANGE ORDER #3**

**TO:** General Electric International, Inc.  
11640 Arabor Street, Suite 200  
Omaha, NE 68144  
John Kottmann

**Contract: 2018-51**

**PROJECT:** Gas Turbine #3 Modified Hot Gas Path Inspection

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

1 Additional payment per the attached spreadsheet.

ADD: \$128,923.04

<b>The original Contract Sum</b>	<u>\$ 494,261.00</u>
<b>Previous Change Order Amounts (Change Order #1 &amp; #2)</b>	<u>\$ 50,878.83</u>
<b>The Contract Sum is increased by this Change Order</b>	<u>\$ 128,923.04</u>
<b>The Contract Sum is decreased by this Change Order</b>	<u>\$</u>
<b>The total modified Contract Sum to date</b>	<u>\$ 674,062.87</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: General Electric International, Inc.**

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

Date \_\_\_\_\_

**Gas Turbine #3 Modified Hot Gas Path Inspection at Burdick Generating Station**

Comments: Additional work required due to inspection process

**Contractor: General Electric International, Inc.**

<u>Change Order Request</u>	<u>Description</u>	<u>Amount</u>
001	Change Order #3:	
002	Repairs while in facility	\$ 132,090.13
003	New gaskets to reassemble fuel nozzles	\$ 1,870.83
004	CREDIT-GI Utilities supplemented labor	\$ (5,037.92)
005		
006		
007		
008		
009		
010		
011		
012		
013		
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	Total	\$ 128,923.04

RESOLUTION 2018-247

WHEREAS, on February 27, 2018, Council approved a contract with General Electric International, in., in the amount of \$494,261.00 for Gas Turbine #3 Modified Hot Gas Path Inspection at Burdick Generating Station; and

WHEREAS, at the June 26, 2018 Council meeting, Council approved Change Orders #1 and #2 for the Hot Gas Path Inspection in the amount of \$50,878.83; and

WHEREAS, during the Hot Gas Path Inspection, the fuel nozzles and combustion liners were sent to the GI repair facility inspections; and

WHEREAS, during the inspection process, several fuel nozzles did not meet the flow specifications and the combustion liners need repairs to maintain their function during operation; and

WHEREAS, the repairs while in the facility will cost \$132,090.13 and new gaskets needed to reassemble the fuel nozzles will cost \$1,870.83; and

WHEREAS, Grand Island Utilities supplemented the labor during disassembly and a credit was given in the amount of \$5,037.92; and

WHEREAS, the total of these repairs, parts, and the credit received amount to a net increase in the contract of \$128,923.04, for a final contract cost of \$674,062.87.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Change Order #3 for the Modified Hot Gas Path Inspection at Burdick Generating Station in the amount of \$128,923.04, is hereby approved and the Mayor is authorized to sign the Change Order on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, August 28, 2018.

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

Attest:

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

Approved as to Form	☐ _____
August 23, 2018	☐ City Attorney