



City of Grand Island

Tuesday, October 9, 2018

Council Session - Updated

Item I-2

#2018-301 – Consideration of Approving Turbine Generator Warranty Investigation

Staff Contact: Tim Luchsinger

Council Agenda Memo

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

Meeting: October 9, 2018

Subject: Turbine Generator Warranty Investigation

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

Background

A major inspection and overhaul of the turbine generator at the Platte Generating Station is performed every five years. The overhaul was completed in the fall of 2017. During this inspection, the turbine generator is completely disassembled, and all components are cleaned, inspected, repaired or replaced as necessary.

Specifications were developed by the plant engineering staff to include all labor to open, inspect, clean, and close the turbine and the generator, with the City to supply all parts and materials. Included in the bid were technical support and 800 hours of repair labor for bearings, steam nozzles, turbine rotor blades, and generator parts. The specifications include a composite hourly rate for additions or reductions in the repair labor amount as the amount of actual work is not known until the unit is disassembled and inspected.

Discussion

The work completed by Reliable Turbine Services in 2017 was warranted for 1 year. During the last year plant engineers discovered three issues that could fall under the warranty. If the root cause for the issues that are occurring are found not to be the workmanship of Reliable Turbine Services, City of Grand Island Utilities would be responsible for the repairs.

Reliable Turbine Services developed a scope of work that will investigate the issues. They would perform this work during the fall outage that is scheduled to start October 11, 2018. The proposed scope of work is based on the standard rates, and estimated hours. This work is not to exceed \$222,060.00. If during the investigation, the work is found to be under warranty, there will be no charges to the City of Grand Island Utilities.

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 that the Council approve the warranty investigation work for Turbine Generator Warranty Investigation to Reliable Turbine Services of Sullivan, Missouri, as the sole source, for the sum of \$222,060.00.

Sample Motion

Move to approve award of the bid of \$222,060.00 from Reliable Turbine Services for the Turbine Generator Warranty Investigation.

RESOLUTION 2018-301

WHEREAS, in the fall of 2017 there was a major inspection and overhaul of the turbine generator at Platte Generating Station; and

WHEREAS, Reliable Turbine Services was awarded a bid for technical support and 800 hours of repair labor for bearings, steam nozzles, turbine rotor blades and generator parts, and the specifications included a composite hourly rate for additions or reductions in the repair labor amount as the amount of actual work was not known until the unit was disassembled and inspected; and

WHEREAS, during the last year plant staff discovered three issues that could fall under the warranty for this work, and if the root cause for the issues that are occurring are found not to be the workmanship of Reliable Turbine Services, the City of Grand Island Utilities would be responsible for the repairs; and

WHEREAS, Reliable Turbine Services developed a scope of work that will investigate the issues, and they would perform this work during the fall outage that is scheduled to start October 11, 2018; and

WHEREAS, the proposed scope of work is based on the standard rates, and estimated hours, not to exceed \$222,060.00; and

WHEREAS, if during the investigation the work is found to be under warranty, there will be no charges to the City of Grand Utilities.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Reliable Turbine Services is authorized to perform the investigative work during the fall outage for a cost not to exceed \$222,060.00.

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Adopted by the City Council of the City of Grand Island, Nebraska, October 9, 2018.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
October 8, 2018	☐ City Attorney