



City of Grand Island
Tuesday, May 14, 2019
Council Session/Budget Work Session

Item G-10

#2019-158 - Approving Change Order #1 with Meylan Enterprises, Inc. for Precipitator, Bottom Ash and Boiler Industrial Cleaning at Platte Generation Station - Spring 2019 Outage

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting: May 14, 2019

Subject: Change Order #1 - Precipitator, Bottom Ash and Boiler
Industrial Cleaning at Platte Generating Station – Spring
2019 Outage

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

Background

The electrostatic precipitator at the Platte Generating Station is the air quality control equipment used to remove coal ash particulates from the plant's boiler flue gas stream. Proper performance of this equipment is required as part of the plant's operating permit. Due to volume and characteristics of the coal ash, the precipitator must be grit blasted twice a year to remove ash build-up to allow the plant to remain below permitted emission levels. In addition to maintaining performance, removal of the ash deposits also allows an inspection of the precipitator internal surfaces and components.

During this outage, the contractor also performed vacuum services and high pressure water blast cleaning services throughout the station. This work is done on a time and material basis, with the original bidding based on an estimate of the hours required to complete the work. Variations in the time required to accomplish the actual work performed at the time of the outage requires final adjustments based on the T&M rates provided at the time of bidding.

The specifications were issued for bid and the contract was awarded by Council to the low responsive bidder, Meylan Enterprises, Inc., of Omaha, Nebraska for \$156,178.27 on January 22, 2019 per Resolution 2019-31.

Discussion

Additional work beyond the base bid scope was required to remove spilt coal from railroad tracks, greater than normal volumes of fly ash from the precipitator and excessive build-up of lime in the Spray Dry Absorber, resulting in an increase in the cost of the overall contract.

Meylan Enterprises, Inc., performed the additional work, which was not part of the original scope, at an additional cost of \$18,653.00 plus the change in taxes for a total increased contract cost of \$20,291.50.

Meylan Enterprises, Inc., had all of the manpower and equipment on site to perform the additional work. This additional cost was based on unit pricing for services included in the original bid documents in the event of the addition or deletion of work scope by the contractor. It included vacuum services, hydro-blasting services and use of specialty three-dimensional cleaning nozzles used specifically for cleaning the SDA vessel.

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 with Meylan Enterprises, Inc., of Omaha, Nebraska, for the Precipitator, Bottom Ash and Boiler Industrial Cleaning at Platte Generating Station for an addition to the contract price of \$20,291.50.

Sample Motion

Move to approve Change Order #1 from Meylan Enterprises, Inc., in the amount of \$20,291.50, for the Precipitator, Bottom Ash and Boiler Industrial Cleaning at Platte Generating Station.

Change Order #1

TO: Meylan Enterprises, Inc.
6225 S. 60th Street
Omaha, NE 68117
402-895-5219

PROJECT: Vacuum Services (T&M) - Overage to remove coal from railroad tracks increased fly ash and excessive lime build-up.

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

- 1 Additional payment per the attached spreadsheet.

ADD: \$20,291.50

The original Contract Sum	<u>\$156,178.27</u>
Previous Change Order Amounts	<u>\$ -</u>
The Contract Sum is increased by this Change Order	<u>\$ 20,291.50</u>
The Contract Sum is decreased by this Change Order	<u>\$</u>
The total modified Contract Sum to date	<u>\$ 176,469.77</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: Meylan Enterprises, Inc.

By: Jori Reutz
V.P. of Contracts
Date 5-3-19

Precipitator, Bottom Ash and Boiler Industrial Cleaning at PGS-Spring 2019 Outage

Comments: This additional work was identified after the PGS fall outage began.

Contract: Spring 2019 Outage

\$156,178.27

<u>Change Order Request</u>	<u>Description</u>	<u>Amount</u>
001	Vacuum Services (T&M) - Overage to remove coal from railroad tracks	\$18,653.00
002	increased fly ash and excessive lime build-up.	
003		
004		
005		
006		
007	Increase in Taxes from original contract from 7.0% to 7.5%	\$1,638.50
008		
009		
010		
011		
012		
013		
014		
015	Total (final) w/out tax	\$20,291.50
017		
018		
019		
020		
021		
023		
024		
028		
029		
030		
	Total	\$20,291.50

RESOLUTION 2019-158

WHEREAS, at the January 22, 2019 Council meeting, Council awarded the contract for Precipitator, Bottom Ash and Boiler Industrial Cleaning at Platte Generating Station – Spring 2019 Outage to Meylan Enterprises, Inc., of Omaha, Nebraska in the amount of \$156,178.27; and

WHEREAS, during the outage additional work beyond the base bid scope was required to remove split coal from railroad tracks, greater than normal volumes of fly ash from the precipitator and excessive build-up of lime in the Spray Dry Absorber, resulting in an increase in the cost of the overall contract; and

WHEREAS, Meylan Enterprises had all of the manpower and equipment on-site to perform the additional work and this additional cost was based on unit pricing for services included the original bid documents in the event of the addition or deletion of work scope by the contractor; and

WHEREAS, the work included vacuum services, hydro-blasting services and the use of specialty three-dimensional cleaning nozzles used specifically for cleaning the SDA vessel and;

WHEREAS, the additional work performed by Meylan Enterprises, Inc., amounted to \$20,291.50 including applicable taxes for the work for a total contract amount of \$176,469.77.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Change Order #1 in the amount of \$20,291.50 is approved and the Mayor is hereby authorized to sign the Change Order on behalf of the City of Grand Island.

Adopted by the City Council of the City of Grand Island, Nebraska, May 14, 2019.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
May 10, 2019	☐ City Attorney