



# City of Grand Island

Tuesday, September 27, 2022

Council Session

## Item G-15

**#2022-272 - Approving Change Order #1 Gas Turbine 2 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:** September 27, 2022

**Subject:** Change Order #1 - Gas Turbine 2 Hot Gas Path Inspection

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

## Background

Gas turbines operate under high temperatures and must have the components inspected and repaired based on the number of run hours and starts. The Burdick #2 Gas Turbine known as GT2 has met the requirements for a Hot Gas Path Inspection where the fuel is combusted and hot gases convert the burning fuel to rotational energy to produce power. GT2 must be disassembled and inspected for damages that may have occurred from normal operation. The GT2 Hot Gas Path Inspection is currently scheduled for May 23, 2022, through September 3, 2022, during which time inspection and maintenance on the turbine will be performed. The purpose of a hot gas path inspection is to prevent a machine failure and increase machine reliability by repairing those parts exposed to high temperature gases discharged during the combustion process.

The specification was issued for bid and the contract was awarded by Council to General Electric International, Inc. of Atlanta, Georgia, in the amount of \$1,024,021.25 per Resolution 2022-82.

## Discussion

The bids are for the disassembly and reassembly of the unit. It is the Utility Engineering staff's experience that additional work and repairs will be required during this project which can only be identified at the time of inspection. Due to market conditions and volatility in the electric grid, the project will not be completed in 2022 as per the specification. General Electric International, Inc. has agreed to a fixed pricing increase of 4% for all work completed on or prior to December 31, 2023. This addition to the work scope will result in an additional \$40,960.85 for a final contract cost of \$1,064,982.10.

## **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 General Electric International, Inc. of Atlanta, Georgia for the Gas Turbine 2 Hot Gas Path Inspection for the addition of \$40,960.85 to the contract price, for a total contract price of \$1,064,982.10.

## **Sample Motion**

Move to approve Change Order #1 from General Electric International, LLC in the amount of \$40,960.85 for the Gas Turbine 2 Hot Gas Path Inspection.



Platte Generating Station
1035 W. Wildwood Drive
Grand Island, NE 68801
308/385-5468

Working Together for a
Better Tomorrow. Today.

TO: General Electric International, Inc.
4200 Wildwood Way
Atlanta, GA 30339
Louis Toenjes louis1.toenjes@ge.com

PROJECT: Gas Turbine 2 Hot Gas Path Inspection at Burdick Generating Station
CHANGE ORDER 1

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

1 Additional payment per the attached spreadsheet.

ADD: \$40,960.85

Table with 2 columns: Description and Amount. Rows include: The original Contract Sum (\$1,024,021.25), Previous Change Order Amounts (\$ -), The Contract Sum is increased by this Change Order (\$ 40,960.85), The Contract Sum is decreased by this Change Order (\$), and The total modified Contract Sum to date (\$ 1,064,982.10).

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: [Signature] \_\_\_\_\_ Date September 21, 2022

**Gas Turbine 2 Hot Gas Path Inspection at Burdick Generating Station**

Comments: Due to market conditions and volatility in the electric grid, the project will not be completed in 2022 as per the specification. General Electric International, Inc. has agreed to a 4% fixed pricing increase for all work completed on or prior to December 31, 2023.

**Contract: \$1,024,021.25**

<u>Change Order Request</u>	<u>Description</u>	<u>Amount</u>
001	Mobilization/Disassembly/Inspection/Demobilization (4%)	\$ 7,269.60
002	Mobilization/Reassembly/Startup/Demobilition/Documents (4%)	\$ 10,904.40
003	Consumable Parts/Capital Components Repair (4%)	\$ 22,786.85
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	<b>Total</b>	<b>\$ 40,960.85</b>

RESOLUTION 2022-272

WHEREAS, at the April 12, 2022, Council meeting, General Electric International, Inc., was awarded the contract for the Gas Turbine 2 Hot Gas Path Inspection; and

WHEREAS, the market conditions and the volatility in the electric grid are such that the project will not be completed in 2022 as per the specification; and

WHEREAS, General Electric International, Inc. has agreed to a fixed pricing increase of 4% for all work completed on or prior to December 31, 2023; and

WHEREAS, the original contracted amount was for \$1,024,021.25, and the total change to the contract amount was \$40,960.85, resulting in a final contract cost of \$1,064,982.10.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Change Order #1 with General Electric International, Inc., in the amount of \$40,960.85, is approved, and the Mayor is hereby 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, September 27, 2022.

\_\_\_\_\_  
Roger G. Steele, Mayor

Attest:

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

Approved as to Form	☐ _____
September 23, 2022	☐ City Attorney