



City of Grand Island

Tuesday, January 8, 2013

Council Session

Item G5

**#2013-3 - Approving Change Order #1 - Turbine Overhaul at
Platte Generating Station**

Staff Contact: Tim Luchsinger, Robert Sivick

Council Agenda Memo

From: Timothy G. Luchsinger, Utilities Director
Robert Sivick, City Attorney

Meeting: January 8, 2013

Subject: Turbine Generator Inspection and Repair –
Change Order #1

Item #'s: G-5

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 performed in the fall of 2012. During this inspection, the turbine generator was completely disassembled and all components cleaned, inspected, repaired or replaced as necessary. The contract for this work included 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 was a base amount of 800 man-hours of repair labor for work required on the turbine diaphragm blades. The bid also included labor rates for additions or reductions in the repair labor base amount, as the amount of actual work required was not known until the unit was disassembled and inspected.

The contract was awarded by Council to the low responsive bidder, Magnetech Industrial Services, Inc., of Saraland, Alabama, for \$496,338.00 on April 10, 2012.

Discussion

The contractor completing the repair work found more extensive damage to the turbine diaphragm blades which required additional man-hours above the base amount to complete the repairs. The total cost of the additional repair work was \$136,822.10, for a final contract cost of \$633,160.10.

Alternatives

It appears 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 for Turbine Generator Inspection and Repair at Platte Generating Station, for an addition to the contract price of \$136,822.10 to Magnetech Industrial Services, Inc.

Sample Motion

Move to approve Change Order #1 with Magnetech Industrial Service, Inc., in the amount of \$136,822.10, for the Turbine General Inspection and Repair.

**INTEROFFICE
MEMORANDUM**



*Working Together for a
Better Tomorrow. Today.*

TO: Magnetech Industrial Services, Inc.
800 Nave Road, S.E.
Massillon, OH 44646
Attn: Tony Williamson

PROJECT: Turbine Generator Inspection and Repair

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

1 Additional payment per the attached spreadsheet.

ADD: \$136,822.10

The original Contract Sum	<u>\$496,338.00</u>
Previous Change Order Amounts	<u>\$0.00</u>
The Contract Sum is increased by this Change Order	<u>\$136,822.10</u>
The Contract Sum is decreased by this Change Order	<u>\$</u>
The total modified Contract Sum to date	<u>\$633,160.10</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

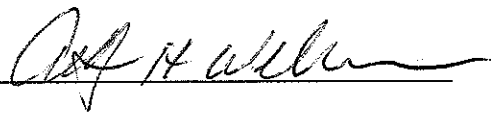
By: _____

Date _____

Attest: _____

Approved as to Form, City Attorney

ACCEPTED: Magnetech Industrial Services, Inc.

By: 

Date 12-21-12

Turbine Generator Inspection and Repair

Comments:

Additional work done repairing the turbine diaphragm buckets during the overhaul.

Contractor: Magnetech Industrial Services, Inc.

\$496,338.00

<u>Change Order Request</u>	<u>Description</u>	<u>Amount</u>
001	Reliable Turbine Services, subcontractor for Magnetech,	
002	for the diaphragm repairs (stationary blades)	\$136,822.10
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	Total	\$136,822.10

RESOLUTION 2013-3

WHEREAS, on April 10, 2012, the contract was awarded by Council to Magnetech Industrial Services, Inc., of Saraland, Alabama for the major inspection and overhaul of the turbine generator at Platte Generating Station in the amount of \$496,338.00; and

WHEREAS, during this inspection, the bid included a base amount of 800 man-hours of repair labor for the work required on the turbine diaphragm blades; and

WHEREAS, the bid also included labor rates for additions or reductions in the repair labor amount, as the amount of actual work required was not known until the unit was disassembled and inspected; and

WHEREAS during the work, more extensive damage to the turbine diaphragm blades was found to need repairs, and the total additional cost to repair the turbine was \$136,822.10, for a final contract amount of \$633,160.10.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Change Order #1 for the Turbine Generator Inspection and Repair for an additional amount of \$136,822.10 is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, January 8, 2013.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
January 4, 2013	☐ City Attorney