



City of Grand Island

Tuesday, February 25, 2014

Council Session

Item I-1

#2014-37 - Consideration of Approving Change Order #1 - Air Quality Control System (AQCS) at Platte Generating Station, AMEC

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting Date: February 25, 2014

Subject: Air Quality Control System at Platte Generating Station –
AMEC - Change Order #1

Item #'s: I-1

Presenter(s): Timothy Luchsinger, Utilities Director

Background

On December 21, 2011, EPA released the Mercury and Air Toxics Standards (MATS), requiring the maximum achievable control technology for mercury and other hazardous pollutants from electric generating units, with a compliance date of March 2015, although an additional one year for compliance may be granted by individual states. The City of Grand Island hired Kiewit Engineering to study the best options available to meet the MATS requirements. Kiewit developed a specification for an Engineering Procurement Contract (EPC) for the preferred solution and it was publicly bid.

On January 8, 2013, Council approved and the City of Grand Island entered in to an Engineering Procurement Contract with AMEC of Tucker, Georgia, to install a scrubber, baghouse, and mercury removal system at the Platte Generating Station for \$41,189,331.00.

Discussion

During the initial engineering process to write the specification for the Air Quality Control System (AQCS), Kiewit Engineering completed a high level study of the existing electrical switchgear to determine if it would be adequate for the new loads. At that time, the exact electrical loads for the AQCS were not known, but it was determined that at least the breakers for the main switchgear would need to be replaced with higher short-circuit rated breakers. After the award of contract, AMEC performed the detailed engineering design of the new AQCS, including the new equipment and electrical ratings, and conducted a detailed study of the 5kv switch gear. The study determined that with the present day loads, the current switchgear is marginal and would be underrated for the new AQCS loads.

Several options were investigated to find higher rated breakers to fit into the existing cabinets. Since the existing manufacturer, Federal Pacific, is no longer in business, no suitable replacement breaker is available. The next option considered was to replace all of the switchgear cabinets and breakers. The width of the existing switchgear is only 26 inches, however, today's standard is 36 inches, so the number of available manufacturers was reduced to two. The original contract only included the replacement of the breakers into the existing cabinets. The cost to replace the switchgear cabinets and breakers is \$1,901,117.00, with a credit of \$1,004,607.00 for the original replacement of the breakers for a net change of \$896,510.00. The basis for the change, the proposed change, and the cost change have been reviewed by both Kiewit and Department management staff, and is contractually justified and reasonable.

The total for this Change Order is \$896,510.00 and increases the contract by 2.13% to \$42,085,841.00.

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 to the Air Quality Control System at Platte Generating Station for Switchgear Upgrade, for an addition to the contract price of \$896,510.00.

Sample Motion

Move to approve Change Order #1 with AMEC in the amount of \$896,510.00 for the Air Quality Control System at Platte Generating Station.

Change Order #1

TO: AMEC Kamtech, Inc.
 1979 Lakeside Parkway, Suite 400
 Tucker, GA 30084
 770-688-2500

PROJECT: AQCS-Equipment Purchase and Construction

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

- 1 Additional payment per the attached spreadsheet.

ADD: \$896,510.00

The original Contract Sum	<u>\$41,189,331.00</u>
Previous Change Order Amounts	<u>\$ -</u>
The Contract Sum is increased by this Change Order	<u>\$ 896,510.00</u>
The Contract Sum is decreased by this Change Order	<u>\$ </u>
The total modified Contract Sum to date	<u>\$42,085,841.00</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: **AMEC Kamtech, Inc.**

By: _____ Date _____

AQCS-Equipment Purchase and Construction

Comments: Replace switchgear cabinets and breakers to meet today's standards.

Contract:

\$41,189,331.00

<u>Change Order Request</u>	<u>Description</u>	<u>Amount</u>
001	Replace all switchgear cabinets and breakers	\$1,901,117.00
002	Credit for replacement of breakers into existing cabinets	(\$1,004,607.00)
003		
004		
005		
006		
007		
008		
009		
010		
011		
012		
013		
014		
015		
	TOTAL CHANGE ORDER	\$896,510.00

RESOLUTION 2014-37

WHEREAS, AMEC of Tucker, Georgia, was awarded the contract for Air Quality Control System (AQCS) at Platte Generating Station, at the January 8, 2013 City Council meeting; and

WHEREAS, a comprehensive study performed by AMEC determined that with present day loads, the current switchgear is marginal and would be underrated for the new AQCS loads; and

WHEREAS, the original contract only included the replacement of the breakers into the existing cabinets; and

WHEREAS, the cost to replace the switchgear cabinets and breakers is \$1,901,117.00, with a credit of \$1,004,607.00 for the original replacement of the breakers; and

WHEREAS, Change Order #1 was prepared for a contract adjustment of an additional amount of \$896,510.00, resulting in a final contract amount of \$42,085,841.00.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Change Order #1 with AMEC of Tucker, Georgia, resulting in an additional cost of \$896,510.00, for a final contract price of \$42,085,841.00, is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, February 25, 2014.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
February 21, 2014	☐ City Attorney