



# City of Grand Island

Tuesday, May 20, 2003

Council Session

## Item I1

### **#2003-146 - Approving Agreement Between the City of Grand Island, Utilities Department and General Electric Power Systems**

*Background:*

*The Combustion Turbine construction project at the Burdick Station is completed. The new generators were accepted by the Utilities Department for commercial operation on March 27, 2003. As can be the situation on a project of this cost and complexity, there are disputes between the Utilities Department and the major equipment supplier, General Electric Power Systems.*

*Discussion:*

*After several months of discussions between the parties a possible settlement has been negotiated. Due to the potential for litigation on this dispute, it is recommended that the City Council adjourn to executive session to consider this issue.*

Staff Contact: Gary R. Mader; Doug Walker

RESOLUTION 2003-146

WHEREAS, on May 22, 2001, by Resolution 2001-135, the City of Grand Island approved the bid of General Electric Company of Schenectady, New York for two combustion turbine generators; and

WHEREAS, the combustion turbine project at the Burdick Station is now complete, and has been accepted by the Utilities Department for commercial operation as of March 27, 2003; and

WHEREAS, due to the complex nature of the project, a number of disputes have arisen between the City and the major equipment supplier for the project, General Electric Power Systems; and

WHEREAS, in an effort to resolve such disputes without proceeding through the court system, a potential settlement agreement has been negotiated between the parties; and

WHEREAS, it is recommended that the City approve the terms to such negotiated settlement; and

WHEREAS, the proposed Settlement Agreement has been reviewed and approved by the City Attorney.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the General Electric Combustion Turbine Contract Settlement by and between the City of Grand Island and General Electric Power Systems is hereby approved for the settlement of all issues pertaining to the combustion turbine generator project at Burdick Station as set out in such agreement.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such settlement agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, May 20, 2003.

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RaNae Edwards, City Clerk

Approved as to Form	☐ _____
May 15, 2003	☐ City Attorney