



City of Grand Island

Tuesday, April 13, 2004

Council Session

Item G21

**#2004-85 - Approving Boiler Inspection Agreement - Platte
Generating Station**

Staff Contact: Gary R. Mader;Dale Shotkoski

Council Agenda Memo

From: Gary R. Mader, Utilities Director

Meeting: April 13, 2004

Subject: Approving Boiler Inspection Agreement – Platte Generating Station

Item #'s: G-21

Presenter(s): Gary R. Mader, Utilities Director

Background

The PGS boiler incorporates a coal burner system that adjusts the location of the primary fire zone in the boiler fire box, to control steam temperatures and emissions. This adjustment is done by tilting the coal nozzles in each of the four boiler corners.

For the last several months, the operating staff at the Platte Generating Station has observed a change in the burner tilts function of the boiler. The tilts are running at a lower than normal angle causing an increase in carbon carryover in the bottom ash. An engineer from Alstrom Power, Inc., the original equipment manufacturer, made several suggestions of things to check during operation of the unit and for additional checks to be done with the unit off-line during the short scheduled spring maintenance outage later this month.

Discussion

A manufacturer's technician is available for the scheduled outage. Because PGS is our lowest cost power source, this inspection should be done as soon as possible to ensure the unit is available for the high summer load period. The manufacturer utilized a standard service agreement for this work, copy attached. The agreement has been reviewed by the Legal Department and approved. Because of the technical and unit specific nature of this inspection, it is the intent of the Utilities Department to issue a Purchase Order incorporating the service agreement in an amount of \$6,275.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the Boiler Inspection Agreement
2. Deny the Boiler Inspection Agreement.
3. Modify the Boiler Inspection Agreement to meet the wishes of the Council
4. Table the issue

Recommendation

City Administration recommends that the Council approve the Boiler Inspection Agreement.

Sample Motion

Approve the Boiler Inspection Agreement with Alstrom Power, Inc.

Form SF-1
(Customer Work Authorization)

To: **City of Grand Island, Nebraska**

Date: **April 2, 2004**

From: **Boiler and Environmental Plant Services division of ALSTOM Power Inc.**

Purchase Order Number: 409573

Work Description ("Work"):

Boiler Inspection including travel and report.

The Purchaser has requested, through issuance of the above referenced Purchase Order (whether orally or in writing), the Contractor to perform the Work described above. The Contractor agrees to perform the Work subject to the following provisions, which shall supersede any conflicting provisions found elsewhere in any documents related to the Work:

- (i) Contractor will not be liable to Purchaser or its customer, in contract or negligence or other cause of action, for any special, incidental or consequential damages including, but not limited to, loss of profits and revenue, loss due to business interruption, or claims of customers. Purchaser will indemnify and hold harmless Contractor from any such claims asserted against Contractor by Purchaser's customer, if any.
- (ii) Contractor will not be in default under this Authorization if it is delayed or prevented in the performance of its obligations by any cause beyond its reasonable control.
- (iii) Contractor's overall liability to Purchaser under this Authorization, in contract or negligence or other cause of action, for any and all damages, losses, costs and expenses of any kind which are not excluded by Paragraph (i) shall in no event exceed in the aggregate the contract price or \$50,000, whichever is greater. This monetary cap, however, will not apply to third party claims to the extent such claims are caused by the Contractor's negligence.
- (iv) Contractor will provide the following insurance coverage: Worker's Compensation (\$1,000,000 per occurrence), Comprehensive General Liability (\$1,000,000 per occurrence/aggregate), and Comprehensive Automobile Liability (\$1,000,000 per occurrence/aggregate). To the extent requested in writing by the Purchaser, Contractor will name Purchaser as an additional insured but only to the extent necessary to fund Contractor's obligations under the contract.
- (v) Contractor warrants that the Work will be performed in a workmanlike manner and any supplied material will be free from defects in material and workmanship. If within one year from the date the Contractor completes the Work (which shall mean date of delivery if the Contractor is supplying material), the Purchaser discovers a breach of this warranty as to any portion of the Work and notifies the Contractor in writing of such breach, the Contractor will, at its option and as its sole remedy, repair, reperform or replace (F.O.B. point of shipment) that portion of the Work. THERE ARE NO IMPLIED WARRANTIES OF ANY KIND, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(vi) In the event the Purchaser or any of its subsidiaries, or any third party at the suggestion of the Purchaser decides to hire directly, or indirectly through a third party, upon presentation, any of Contractor's personnel during or for a period of nine (9) months from such personnel's completion or other termination or a Purchaser authorized assignment, at the mutual consent of the Contractor's personnel and the Contractor, the Purchaser agrees to pay a fee equal to fifty (50%) percent of the personnel's annualized base gross compensation for employment as determined by the Contractor and the Purchaser. This fee will be reduced at a rate of one and one half (1.5%) percent for every month the Contractor's personnel was assigned to the Purchaser under the current contract, and subsequent contracts that the specific personnel was assigned to the Purchaser immediately and successively preceding it to a limit of no less than ten (10%) percent. This fee is payable within thirty (30) days from the date such personnel commences employment with the Purchaser or its subsidiaries.

The undersigned parties agree that the terms of this Authorization shall supersede any conflicting terms or, if no other terms have been proposed, shall be the sole governing terms for this Work, regardless of when the Work is performed.

Charles F. Hart
For the Contractor: Print Name & Sign, Technical Services District Manager

For the Purchaser: Print Name & Sign, Mayor

For the Purchaser: Print Name & Sign, City Clerk

Attestation for Purchaser: Print Name & Sign

RESOLUTION 2004-85

WHEREAS, the boiler at the Platte Generating Station incorporates a coal burner system that adjusts the location of the primary fire zone in the boiler fire box to control steam temperatures and emissions; and

WHEREAS, city staff has recently noticed that this feature is not working properly which is increasing the carbon carryover in the bottom ash; and

WHEREAS, the manufacturer of such equipment has offered suggestions for resolving this issue, including having a technician available during the scheduled spring outage; and

WHEREAS, due to the technical and unit specific nature of the equipment, it is recommended that the City allow the manufacturer's technician to be available to resolve any issues involving the boiler system during the scheduled spring outage; and

WHEREAS, an agreement has been prepared outlining the terms and conditions associated with having the manufacturer's technician available for the boiler inspection and related work necessary to resolve these issues; and

WHEREAS, the proposed Boiler Inspection Agreement has been reviewed and approved by the City Attorney's office.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Boiler Inspection Agreement by and between the City and Alstrom Power, Inc. for boiler inspection at Platte Generating Station during its scheduled spring outage in the amount of \$6,275 is hereby approved; and the Mayor is hereby authorized and directed to execute such 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, April 13, 2004.

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
April 8, 2004	☐ City Attorney