



City of Grand Island

Tuesday, March 10, 2015

Council Session

Item G-7

#2015-66 - Approving Change Order #3 with AMEC for Water Treatment System for Air Quality Control Project at Platte Generating Station

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting Date: March 10, 2015

Subject: Air Quality Control System at Platte Generating Station –
AMEC - Change Order #3

Item #'s: G-7

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) 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

The removal of acid gases from the combustion of coal requires mixing water and lime. When lime and hard water mix, a precipitation of calcite occurs and plates out on the system piping. Commissioning and testing phase is in progress of the Air Quality Control System (AQCS) and calcite formation is occurring faster than anticipated and causing maintenance to clean the calcite from the piping and atomizers three times more than expected.

As part of developing a solution to reduce the maintenance, plant engineers contacted OPPD staff at Nebraska City Unit 2. The NC2 Air Quality Control System is similar to that of the Platte Generating Station, and had similar water quality issues which resulted

in the installation of a water treatment system to soften the water and improve the system reliability.

Different types of water treatment were evaluated by plant engineering staff with AMEC, and it was determined that a reverse osmosis system was the preferred solution to reduce the formation of calcite on the piping. AMEC received bids for equipment and installation of the water treatment system, and the addition of this scope to the original contract will allow AMEC to ensure the water treatment system is integrated with the new Air Quality Control System and does not adversely affect the performance of other equipment or the system. The basis for the change and the cost change has been reviewed by Department management staff, and is contractually justified and reasonable.

The total for this change order is \$870,309.37 and increases the contract by 2.06% to \$43,010,551.37.

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 #3 to the Air Quality Control System at Platte Generating Station for Water Treatment System for an addition to the contract price of \$870,309.37.

Sample Motion

Motion to approve Change Order #3 with AMEC in the amount of \$870,309.37 for the Air Quality Control System at Platte Generating Station.

Change Order #3

February 25, 2015

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: \$870,309.37

The original Contract Sum	<u>\$41,189,331.00</u>
Previous Change Order Amounts	<u>\$ 950,911.00</u>
The Contract Sum is increased by this Change Order	<u>\$ 870,309.37</u>
The Contract Sum is decreased by this Change Order	<u>\$</u>
The total modified Contract Sum to date	<u>\$43,010,551.37</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 _____

City of Grand Island
 Utilities Department
 General Work Contract - Change Order

February 25, 2015

Change Order #3

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

PROJECT: AQCS-Equipment Purchase and Construction

EW07104

Contract: \$41,189,331.00

Change	Description	Amount
001	Water Treatman System - equipment and installation	\$870,309.37
002	to reduce calcite formation and maintenance	
003		
004		
005		
006		
007		
008		
009		
010		
011		
012		
013		
014		
015		
	TOTAL CHANGE ORDER	\$870,309.37

RESOLUTION 2015-66

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, to reduce the maintenance and extend the life of the equipment, it is recommended that a reverse osmosis system to treat the water be installed; and

WHEREAS, the addition of this system to the original contract will allow AMEC to ensure the water treatment system is integrated with the new Air Quality Control System and does not adversely affect the performance of other equipment or the system; and

WHEREAS, AMEC received bids for equipment and installation of the water treatment system, and the basis for the change and the cost has been reviewed by department management staff, and is contractually justified and reasonable.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Change Order #3 with AMEC of Tucker, Georgia, resulting in an additional cost of \$870,309.37, for a final contract price of \$43,010,551.37, is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, March 10, 2015.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
March 6, 2015	☐ City Attorney