



City of Grand Island

Tuesday, May 26, 2015

Council Session

Item G-6

#2015-134 - Approving Change Order #3 for Air Quality Control System Engineering at Platte Generating Station with Kiewit Power Engineers

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting: May 26, 2015

Subject: Change Order #3 - Air Quality Control System
Engineering Services at Platte Generating Station –
Kiewit Power Engineers

Item #'s: G-6

Presenter(s): Timothy G. 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.

On March 26, 2012, Council awarded the Owner's Engineer contract to Kiewit Power Engineers (KPE) for a base not-to-exceed cost of \$349,040.00 for a dry sorbent system and an additional not-to-exceed cost of \$82,992.00 (\$432,032.00), if a dry scrubber is required.

Kiewit Power Engineers completed the task of the technology screening and determination of the system required to meet the required emission reduction levels. Results of this study were reviewed by Department technical and management staff and they concur with the recommendations reached by KPE. As a result of these recommendations, KPE proceeded with the dry scrubber system design and Contract Change Order #1 for an additional not-to-exceed cost of \$82,992.00 was approved by Council on June 26, 2012.

To ensure all technical specifications were met and assist in the contract negotiations, Kiewit was directed to attend an additional meeting in Grand Island with AMEC and Department staff. As a result of this additional time and expenses, Contract Change Order #2 for an additional \$14,502.00 was approved on February 12, 2013.

Discussion

During construction, additional services were required to review changes for 5kv switchgear and scaling issues during start-up operations. To ensure all technical specifications were met, Kiewit Engineering reviewed documentation to ensure compliance with the original contract was being met. As a result of this additional time, a contract change order for an additional \$27,865.00 for a total contract cost of \$474,399.00 is required.

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 with Kiewit Power Engineers of Lenexa, Kansas for the Air Quality Control System Engineering Services at Platte Generating Station for an addition to the contract price of \$27,865.00.

Sample Motion

Motion to approve Change Order #3 from Kiewit Power Engineers in the amount of \$27,865.00 for the Air Quality Control System Engineering Services at Platte Generating Station.

**INTEROFFICE
MEMORANDUM**



*Working Together for a
Better Tomorrow. Today.*

TO: Kiewit Power Engineers
Attn: Dan Witt, Project Manager
9401 Renner Blvd.
Lenexa, KS 66219

PROJECT: Air Quality Control System Engineering Services at Platte Generating Station

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

1 Additional payment per the Original Contract.

ADD: \$27,865.00

The original Contract Sum	<u> \$349,040.00</u>
Previous Change Order Amounts	<u> \$97,494.00</u>
The Contract Sum is increased by this Change Order	<u> \$27,865.00</u>
The Contract Sum is decreased by this Change Order	<u> \$</u>
The total modified Contract Sum to date	<u> \$474,399.00</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: Kiewit Power Engineers

By: _____

Date _____

Air Quality Control System Engineering Services at Platte Generating Station

Comments: Additional cost required to review changes for 5kv switchgear and scaling issues during startup operations.

Contractor: Kiewit Power Engineers

\$349,040.00

<u>Change Order Request</u>	<u>Description</u>	<u>Amount</u>
001	Review changes for 5kv switchgear and scaling issues during	\$27,865.00
002	startup operations.	
003		
004	To ensure all technical specifications were met, Kiewit Engineering reviewed documentation to ensure compliance with the original contract was being met.	
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	Total	\$27,865.00

RESOLUTION 2015-134

WHEREAS, Kiewit Power Engineers of Lenexa, Kansas was awarded the contract for Air Quality Control System Engineering Services at Platte Generating Station, at the March 26, 2012 City Council meeting per Resolution #2012-78; and

WHEREAS, in June 26, 2012, per Resolution 2012-159 Council approved Change Order #1 after review and determination that a Dry Scrubber System Design would be needed; and

WHEREAS, on January 8, 2013, Council awarded the bid for Mercury Air Toxic Standards Compliance Retrofit Project to AMEC, of Tucker, Georgia; and

WHEREAS, to assist with negotiations of the contract for the Mercury Air Toxic Standards Compliance Retrofit Project with AMEC, and as a result of this additional time, contract Change Order #2 for an additional \$14,502.00 was required for a total contract cost of \$446,534.00; and

WHEREAS, during construction, additional services were required to review changes for 5kV switchgear and scaling issues that occurred during start-up operations, and Kiewit Engineering reviewed documentation to ensure all technical specifications were met to ensure compliance with the original contract.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Change Order #3 with Kiewit Power Engineers of Lenexa, Kansas, resulting in an additional cost of \$27,865.00 , for a final contract price of \$474,399.00, is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, May 26, 2015.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
May 22, 2015	☐ City Attorney