



City of Grand Island

Tuesday, June 23, 2015

Council Session

Item G-9

#2015-157 - Approving Change Order #4 (Contract Language Only) with AMEC for the Air Quality Control System

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting Date: June 23, 2015

Subject: Air Quality Control System at Platte Generating Station –
Contract Language Change AMEC – Change Order #4

Item #'s: G-9

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. Replacing the switchgear cabinets and breakers, adding structural steel, and adding the water treatment system brought the total modified Contract to \$43,010,551.37.

Discussion

During the commissioning of the Air Quality Control System details of the coal specified to do the test, and operational procedures used while conducting the test were not specific in the original Exhibits B & C of the contract. The contractor requested that these details be added to the Exhibits of the contract with a no cost change order.

To avoid having to purchase a special coal to run the performance test, the current coal that has been purchased with a lower Sulfur Dioxide content will be used to run the test. To use this coal, the calculations used to determine the amount of lime and water used to remove Sulfur Dioxide needed to be adjusted.

The lower amount of lime when the unit is operated at low loads has a potential for the lime particles to fall out of the solution, so a minimum flow rate for the lime slurry was recommend during low loads.

These changes were reviewed by Kiewit Engineering, and verified not to affect the operational guarantees of the original contract. The total for this change order is \$0.00 for a total contract to remain at \$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 #4 to the Air Quality Control System at Platte Generating Station modifying Exhibits B and C for a no cost change to the contract.

Sample Motion

Move to approve Change Order #4 with AMEC in the amount of \$0.00 for the Air Quality Control System at Platte Generating Station.

Change Order #4

June 11, 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: \$0.00

The original Contract Sum	<u>\$41,189,331.00</u>
Previous Change Order Amounts	<u>\$ 1,821,220.37</u>
The Contract Sum is increased by this Change Order	<u>\$ -</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 _____

June 11, 2015

Change Order #4

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

PROJECT: AQCS-Equipment Purchase and Construction

Contract: \$43,010,551.37

Change	Description	Amount
001	Added details to Exhibit B & C to provide specific details of the	\$0.00
002	coal for testing during commissioning of the AQCS and operational	
003	procedures used.	
004	Contractor requested addition - no additional cost to contract	
005		
006		
007		
008		
009		
010		
011		
012		
013		
014		
015		
	TOTAL CHANGE ORDER	\$0.00

RESOLUTION 2015-157

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, during the commissioning of the Air Quality Control System, details of the coal specified to do the test and operational procedures used while conducting the test were not specific in the original Exhibits B & C of the contract; and

WHEREAS, the contractor requested that these details be added to the Exhibits of the contract with a no cost change order; and

WHEREAS, these changes were reviewed by Kiewit Engineering, and verified not to affect the operational guarantees of the original contract, so the total change order is \$0.00 for a total contract to remain at \$43,010,551.37.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Change Order #4 with AMEC of Tucker, Georgia, resulting in no additional cost, is hereby approved.

Adopted by the City Council of the City of Grand Island, Nebraska, June 23, 2015.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
June 19, 2015	☐ City Attorney