

FOR BOARD ACTION

Agenda Item # 6.

Meeting Date: 12/13/07

SUBJECT: Engineering Services for Silver Lake Power Plant
Unit 4 Emissions Reduction Project
Change Order 003

PREPARED BY: Wally Schlink, Director of Power Resources

ITEM DESCRIPTION:

At the June 2006 meeting, the Utility Board approved a contract for engineering services with Utility Engineering to provide the engineering, design, contract procurement support, construction management, site engineering, commissioning and start up work for the Emissions Reduction Project. The original contract is for the amount of \$3,805,000 and covers 32,500 engineering man-hours for the project as well as expenses and sub-contracted studies that are required. The Board also authorized a 15% contingency of \$570,750 which brought the total approved amount to \$4,375,750.

At the March 2007 Utility Board meeting, the Utility Board approved Change Order 001 for additional engineering services in the amount of \$265,000. At the July 2007 Utility Board meeting the Utility Board approved Change Order 002 for additional engineering services related to the NFPA requirements to Unit 4 boiler in the amount of \$178,179.

Staff requests that the Board approve a change order to the Utility Engineering contract for the amount of \$362,595 for additional services that were not included in the original engineering services scope.

Attached is a correspondence from Utility Engineering Inc. that document the various additional activities.

Staff will be at the Board meeting to answer any questions on this request.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Board request the Common Council approve Change Order 003 to the contract agreement with Utility Engineering for additional engineering services on the Silver Lake Power Plant Unit 4 Emissions Reduction Project. The amount of the change order is \$362,595 and will increase the total contract amount to \$4,610,774.

In addition, the 15% contingency will be reduced to a firm dollar amount of \$250,000 as part of this change. The total approved amount will be \$4,860,774.


General Manager


Date

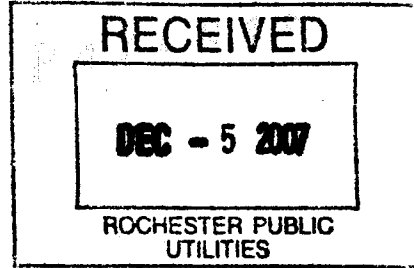
ROCHESTER PUBLIC UTILITIES



901 Marquette Avenue, Suite 2900
Minneapolis, MN 55402
612.215.1300 Fax: 612.766.0360
www.ue-corp.com

December 5, 2007

Mr. Walter Schlink
Director of Power Production
Rochester Public Utilities
4000 East River Road NE
Rochester, MN 55906-2813



Subject: Silver Lake Plant Unit 4 Emissions Reduction Project
UE Project No. 012668
Change Order Request - Utility Engineering Corporation Contract

Dear Mr. Schlink:

This letter is to request a change order to the UE contract for \$362,595.

Based on additional project requirements that have emerged during the ongoing engineering portion of the project RPU has asked Utility Engineering to provide additional services that was not included in the original engineering services scope. The items requested range from additional testing support to additional procurement support to additional pieces of equipment and material required for the project.

We have attached a table that defines the additional services along with the estimated hours and dollars to complete the work.

Sincerely,

Roger B. Anderson, P.E.
Senior Project Manager

RBA/dlk

Enclosure

Utility Engineering Corporation

RPU SLP4 Emission Reduction Project Additional Scope Items

5-Dec-07

RPU - UE CO #3 Items not yet approved (Sheet 1 of 2)

Item #	Additional Scope Item	% Complete	Hours to date	Billings to Date	Est. Future Hours	Estimated Future Billings	Total Estimated Hours	Total Estimated Billings	Authorized Amount	Est. Total Project Cost Added	Comments
18	Develop Const. Contract Agreement	90%	38	\$3,047	50	\$5,478	88	\$8,525		\$8,525	Construction Contract
19	Reserved	0%	0	\$0	0	\$0	0	\$0		\$0	
20	Site Benchmarks - McGhie and Betts	0%	0	\$0	0	\$2,500	0	\$2,500		\$2,500	Not billed yet
24	NOx System 500 HP Fan & Other	10%	58.5	\$5,777	370	\$44,223	428.5	\$50,000		\$50,000	Extra Scope Beyond Plan
25	480 V MCC Spec Bid/Award	85%	93.5	\$8,108	50	\$4,782	143.5	\$12,890		\$131,500	Awarded - Awaiting vendor drawings.
Subtotal CO #3			553	\$68,950	570	\$68,798	1123	\$137,748	\$0	\$504,067	

Utility Engineering Corporation

RPU SLP4 Emission Reduction Project Additional Scope Items

5-Dec-07

RPU - UE CO #3 items not yet approved (Sheet 2 of 2)

Item #	Additional Scope Item	% Complete	Hours to date	Billings to date	Est. Future Hours	Estimated Future Billings	Total Estimated Hours	Total Estimated Billings	Authorized Amount	Est. Total Project Cost Added	Comments
28	Walkway enclosures CE, ME, EE	70%	201	\$24,343	105	\$10,657	306	\$35,000		\$165,000	Ongoing
29	Construction Testing by Owner, not contractor	15%	19	\$1,816	105	\$13,184	124	\$15,000		\$15,000	Ongoing
31	General Procurement/Commercial	80%	97	\$9,692	15	\$1,718	112	\$11,410		\$10,000	Ongoing
32	Urea Tank - put inside	20%	10	\$1,728	245	\$28,272	255	\$30,000		\$130,000	Ongoing
33	New Enclosure - North Plant Annex	40%	172	\$18,127	240	\$26,873	412	\$45,000		\$180,000	Ongoing
34	Added Building Permit Submittal Drawing Work	30%	23	\$2,921	120	\$15,079	143	\$18,000		\$48,000	Ongoing
37	COMS Power Circuit & Conduit	0%	0	\$0	64	\$6,768	64	\$6,768		\$7,000	New Item
38	Precipitator Column Relocate	0%	33	\$2,772	95	\$10,000	128	\$12,772		\$15,000	New Item
Subtotal CO #3			986	\$112,296	989	\$112,551	1975	\$224,847	\$0	\$579,000	
TOTAL CO #3			1539	\$181,246	1559	\$181,349	3098	\$362,595	\$0	\$1,083,067	

OK



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve Change Order 003 to the contract agreement with Utility Engineering for additional engineering services on the Silver Lake Power Plant Unit 4 Emissions Reduction Project. The amount of the change order is \$362,595 and will increase the total contract amount to \$4,610,774. In addition, the 15% contingency will be reduced to a firm dollar amount of \$250,000 as part of this change. The total approved amount will be \$4,860,774.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 13th day of December, 2007.

President

Secretary