

## FOR BOARD ACTION

Agenda Item # 7.c.

Meeting Date: 11/25/08

**SUBJECT:** Emission Reduction Project  
Electrical Construction Contract -- Change Order 001

**PREPARED BY:** Wally Schlink  
Director of Power Resources

### ITEM DESCRIPTION:

The RPU Board approved the contract identified as Electrical Construction with Kish & Sons Electric for the installation and testing of electrical equipment related to the SLP Emission Reduction Project. The firm lump sum price of the contract was \$2,391,150. The contract was written as a series of 18 different activities or items, each one with a specific scope and price, which when totaled make up the scope and lump sum value of the contract.

The construction work is at about 95% complete and staff is in the process of bringing the various Request For Information (RFI) and Engineering Change Orders (ECO) to completion which currently add up to approximately \$352,169.

Staff would like the authorization to shift funds from one activity or item to another within the contract which would be a change in scope but without any increase in the contract value. Specifically staff would propose shifting \$21,470 from Item 013 Start Up to Item 017 Contingency to cover the various work that has been identified through the RFI and ECO process. In addition staff would request a change order that would add \$175,000 to the contract value to cover the cost of the work and to restore a small contingency for additional items that may come up.

Attached is a recommendation from the project engineers as well as a matrix identifying the various changes and costs.

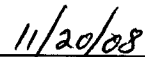
### FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

Request is for a contract change of scope and an increase to the approved contract amount of \$175,000 which will be funded through the project contingency. These funds are included in the proposed 2009 budget subject to approval of that budget.

### UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Board request Common Council approval of Change Order 001 to the Electrical Construction contract which is a change of scope shifting funds totaling \$21,470 from Item 013 in the contract to Item 017 and an increase in the approved amount of the contract of \$175,000. The new value of the contract will increase to \$2,566,150.

  
General Manager

  
Date

ROCHESTER PUBLIC UTILITIES

November 18, 2008

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

Subject: Change Request Electrical Contract  
 Silver Lake Plant Unit 4, Emissions Reduction Project

Dear Mr. Schlink:

This letter is to request a change to the Electrical Contract. As shown in Exhibit A, the total contract amount is \$2,391,150, and the Contract is broken down into 18 numbered categories which add up to the total.

We request approval to shift funds between two (2) of the categories, and to increase the contingency fund by \$175,000:

Item#	Description	Current Amount	New Amount
013	Start-up and Testing Support	\$111,470	\$90,000
017	Contingency Amount	\$200,000	\$396,470
	Total Above	\$311,470	\$486,470

The reason for this request is as follows:

The project has tracked Requests for Information and Engineering Change Notices in an organized fashion throughout the work, and has a detailed listing of the related costs as shown in the attached cost matrix.

Our best estimates of these changes, which go to the contingency line item, currently add up to \$352,169. Details are attached. This construction work is 95% complete as of mid-November, and we do not anticipate significant added changes beyond what is shown.

Mr. Walter Schlink  
November 18, 2008  
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Significant support by an electrician has been provided by Kish & Sons Electric, Inc. during the checkout phase thus far, and this will continue into December.

We recommend authorization of the additional contingency and allowing the Project to shift funds as noted above.

Sincerely,



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

Attachment

RBA/bls

## Electrical Contract

RFI/ECN No.	Description	Submitted Costs
RFI No. 30.04-001	2400 Volt and 480 Volt Routing Change	\$ -
RFI No. 30.04-002	Current Limiting Reactor	\$ 22,780.00
RFI No. 30.04-003	PDC Building Leveling, Shimming and Securing to the Foundation	\$ 5,968.98
		\$ 5,936.84
RFI No. 30.04-004	PDC Building Delivery Delay	\$ 8,239.25
RFI No. 30.04-005	PDC Accessories Shipped Loose	\$ 3,673.95
RFI No. 30.04-006	PJFF Main Control Panel Relocation	\$ 4,538.00
RFI No. 30.04-007	Transformer Tie-down Bolts	\$ 1,500.00
RFI No. 30.04-008	Relocation of Grounding Stingers	\$ 2,928.84
RFI No. 30.04-009	12-2/14-2 Unshielded Conductor Cable	\$ -
RFI No. 30.04-010	Misc. Electrical Material Installation	\$ 1,481.91
RFI No. 30.04-011	Exhaust Motor Wiring Changes	\$ 4,650.09
RFI No. 30.04-012	Baghouse Bridge Crane Temp Power	\$ 1,614.93
RFI No. 30.04-013	Misc. Plant Conduit/Wiring Rerouting	\$ 2,273.37
RFI No. 30.04-014	2400 Volt Testing Requirements	\$ 2,799.97
RFI No. 30.04-015	Ash Silo Sound Enclosure	\$ 10,604.23
RFI No. 30.04-016	UPS System Wiring	\$ 2,139.78
RFI No. 30.04-017	Coal Flow Meter Junction Box	\$ 7,361.85
RFI No. 30.04-018	Cable Reroute	\$ 2,000.00
RFI No. 30.04-019	Misc. Electrical Scope Changes	\$ 20,000.00
RFI No. 30.04-020	Eaton UPS Panel and Ground Fault	\$ 2,500.00
RFI No. 30.04-021	Mobotec Control Valves	\$ 1,500.00
Misc.-001	Additional Heat Trace Components	\$ 19,752.85
Misc.-002	Premium Time Compensation for Project Delays	\$ 54,393.20
ECN-001	Additional J-boxes with Terminal Strips	\$ 3,368.21
ECN-002	Additional Grounding Grid	\$ 7,559.90
ECN-003	Asbestos Abatement	\$ 2,048.89
ECN-003	Motor Disconnects	\$ 15,290.25
ECN-004	Additional Transformer and Panel	\$ 10,263.44
ECN 001 to 010	Conduit and Cable Changes	\$ 125,000.00
	<b>Total Contingency Requirements</b>	<b>\$ 352,168.73</b>
	<b>Delta From Approved (\$200,000)</b>	<b>\$ (152,168.73)</b>



## 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 001 to the Electrical Construction contract with Kish & Sons Electric for the Silver Lake Plant Unit 4 Emissions Reduction Project which is a change of scope shifting funds totaling \$21,470 from Item 013 in the contract to Item 017 and an increase in the approved amount of the contract of \$175,000. The new value of the contract will increase to \$2,566,150.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25<sup>th</sup> day of November, 2008.

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President

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Secretary