

FOR BOARD ACTION

Agenda Item # 8

Meeting Date:

11/25/08

SUBJECT: Emission Reduction Project
Engineering Services Contract – Zachry Engineering Services
Change Order 004

PREPARED BY: Wally Schlink
Director of Power Resources

ITEM DESCRIPTION:

The RPU Board approved the contract identified as Engineering Services for Silver Lake Power Plant Emission Reduction Project with Utility Engineering to provide the engineering, design, contract support, construction management, site engineering, commissioning and start up work for the project. Utility Engineering has had a name change and is now the Zachry Engineering Corporation; Zachry Construction is the parent company.

Following the approval of the original contract the Board has subsequently approved three change orders for additional work that was not in the scope of the original agreement. The total Board authorized amount that has been approved by the Board to date is \$4,860,774 which includes an approved contingency of \$250,000.

The project has required additional engineering support beyond what was identified in the previous change orders including additional electrical engineering field support, resolution of issues with vendors, structural design, conversion of the boiler to balanced draft operation and equipment logistical changes.

Staff would request the authorization to revise the scope of work in the contract to include the proposed scope identified in Change Order 004 but we are not requesting any additional funds beyond those previously approved by the Board.

Attached is a correspondence from Zachary Engineering requesting the scope change as well as a matrix identifying the various changes and costs.

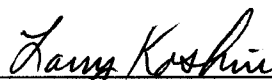
Staff will be at the Board meeting to answer any questions on this request.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

Request is for a contract change of scope but there are no additional funds being requested.

UTILITY BOARD ACTION REQUESTED:

Staff requests Board approval of Change Order 004 to the Engineering Services contract which is a change of scope. The value of the contract will remain at the previously approved amount of \$4,860,774.



General Manager

11/20/08

Date

ZACHRY ENGINEERING CORPORATION

RPU SLP4 Emission Reduction Project Additional Scope Items

10-Nov-08

RPU - ZE CO #4 items not yet approved

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
35	Mech 2 Pkg Engineering Services - 2008	100%	1138	\$116,203	0 \$	-	1138	\$116,203		\$116,203	DONE
36	UE Support/Analysis for B&W Design Phase	100%	200.5	\$18,274	0 \$	-	200.5	\$18,274		\$18,724	DONE
39	Cable Tray Rework - Novaspect Cabinet	100%	12	\$1,536	0 \$	-	12	\$1,536		\$1,536	DONE
40	Urea Leak Controls - double tank	100%	7	\$1,142	0 \$	-	7	\$1,142		\$1,142	DONE
41	Urea Dilution Water	100%	8	\$1,108	0 \$	-	8	\$1,108		\$1,108	DONE
42	Soot Blower piping change	100%	146.5	\$11,030	0 \$	-	146.5	\$11,030		\$11,030	DONE
43	Deduct for removing Electrical & I&C field eng	100%	0	\$0	0 \$	(49,000)		-\$49,000		-\$49,000	2008
44	Air Heater Expansion Joint	100%	66	\$7,294	0 \$	-	66	\$7,294		\$7,294	DONE
45	NCC Dispute Resolution		50.5	\$6,400	108 \$	15,636	158.5	\$22,035		\$25,000	2008
46	Misc. Structural interference resolutions		121.5	\$10,086	51 \$	5,014	172.5	\$15,100		\$15,000	2008
47	Balanced Draft Boiler work		100	\$16,487	210 \$	33,075	310	\$49,562		\$50,000	2008
48	Rotate grit screw		0	\$0	140 \$	15,000	140	\$15,000		\$15,000	2008
N/A	Engineering Contingency							\$40,716		\$40,716	2008/2009
TOTAL CO #4			1850	\$189,560	509	\$19,725	2359	\$250,000	\$0	\$253,753	

OK

GRAND TOTAL			6292	\$668,412	509	\$19,725	6801	\$926,851	\$805,774	\$4,505,569	
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Proposed 2008 CO # 4 (Items 35, 36, 39 - 48) \$250,000



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve Change Order 004 to the Engineering Services contract with Zachry Engineering Corporation (formerly Utility Engineering) for the Silver Lake Plant Unit 4 Emissions Reduction Project which is a change of scope. The value of the contract will remain at the previously approved amount of \$4,860,774.00.

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

President

Secretary