

FOR BOARD ACTION

Agenda Item # 6.b.

Meeting Date:

7/31/07

SUBJECT: Emissions Reduction Project
Change Order to Eaton Electrical Power Distribution Center (PDC) Contract

PREPARED BY: Wally Schlink, Director of Power Resources

ITEM DESCRIPTION:

At the May 2007 Utility Board meeting, staff submitted and the Board approved a contract with Eaton Electrical Inc. for the supply of the Power Distribution Center (PDC). That contract has been executed and the equipment is in production.

At the June 2007 Board meeting, staff requested and the Board approved a contract with MobotecUSA for the supply of the NOx reduction system. The system has unique electrical supply characteristics which include a 2,400 volt, 700 horsepower motor that drives the over fire air fan.

The addition of this equipment will require a change in the PDC to modify the medium voltage motor control center (MCC) lineup.

Attached is a recommendation from Utility Engineering, our project engineers, recommending a change order to the Eaton Electrical Inc. contract in the amount of \$95,974 for the addition of the medium voltage MCC lineup. Staff also recommends the addition of the taxes for the original contract and the change order which is an additional amount of \$51,630 bringing the total change order request to \$147,604. The required sales tax for the contract is the responsibility of RPU and was overlooked in the original request for approval.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Board request the Common Council to approve a change order to the Eaton Electrical Inc. contract for the amount of \$147,604. The original contract was valued at \$748,295 which will bring the total approved contract value to \$895,899.


General Manager


Date

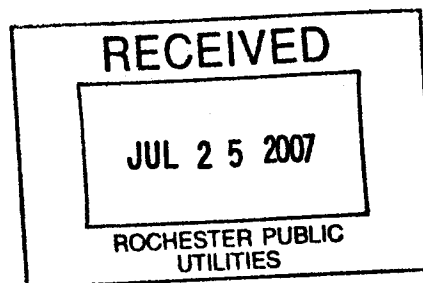
ROCHESTER PUBLIC UTILITIES



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July 24, 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 to Eaton Electrical Group Power Distribution Center (PDC) Contract

Dear Mr. Schlink:

Utility Engineering Corporation (UE) recommends a change order to Eaton Electrical Group for the PDC contract. UE has received information on the NOx system that requires an addition of a medium-voltage 2400 V motor control center (MCC) lineup. The Eaton Electrical Group package will provide RPU with an adequate MCC lineup to feed the NOx system package medium-voltage motor(s). The change order will also consist of modifying the original agreement price to include estimation of taxes for the original agreement amount plus taxes for the MCC lineup. Approving this change order by August 1, 2007 will allow RPU to maintain the current schedule for this equipment.

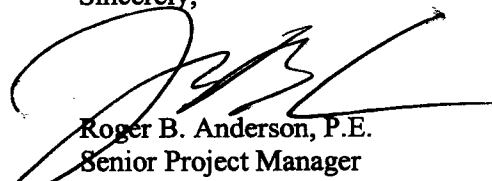
Eaton Electrical Group Bid

Eaton Electrical Group submitted a bid of \$95,974 for the MCC lineup. The estimated amount of taxes for the original agreement is \$45,390 and the estimated amount of taxes for the MCC lineup is \$6,240.

Recommended Contract Price


UE recommends the issuance of a change order to Eaton Electrical for a lump sum price of \$147,604. UE will work with RPU to issue the change order.

Sincerely,



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

LGM/dlk



Lisa Meyer, P.E.
Electrical Engineer



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 contract agreement with Eaton Electrical Inc. for additional requirements needed for the motor control center and sales taxes for the Power Distribution Center Contract for the Silver Lake Power Plant Unit 4 Emissions Reduction Project. The amount of the change order is \$147,604 and will increase the total contract amount to \$895,899.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 31st day of July, 2007.

President

Secretary