

FOR BOARD ACTION

Agenda Item # 6.a.

Meeting Date: 3/28/06

SUBJECT:

Professional Services -- Novaspect, Inc.
Mayo Steam Supply Project

PREPARED BY:

Wally Schlink, Director of Power Resources

ITEM DESCRIPTION:

The Mayo steam project required the integration of the existing Emerson Delta V boiler controls which were installed in 2001, and the new controls and components that were added for the control of the steam project. Included in this list was the steam line, condensate return line, changes in the SLP boilers, the new water treatment facility and many new components that control and meter flows, measure temperatures, levels and other equipment operating parameters related to the supply of steam. This project was approved by the Board in 2003.

After the new equipment was installed and the new controls were integrated, it is necessary to go through a process of start up and commissioning of the new equipment and systems.

The professional services purchase order with Novaspect Inc. is for providing the services necessary to start up the various systems and commission the equipment and systems necessary to make the steam supply system operational.

Novaspect Inc. was chosen to provide the professional services due to their experience with the existing Delta V control system which they developed and installed, their selection as the system integrator for the steam supply project and the supplier to the contractor of all the control equipment that was installed under the other steam project contracts. Novaspect is the area representative for the Emerson controls line and has been the engineer / integrator for both the RPU and Mayo control systems.

This activity is budgeted under the contingency fund for the steam project and the expenses will be recovered through the capital recovery rate.

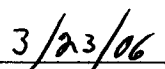
A matrix detailing the labor and expense costs is attached.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Utility Board approve a purchase order agreement with Novaspect Inc. for professional services for the start up and commissioning of the steam project controls in the amount of \$139,066.17



General Manager



Date

Start up and Commissioning Activities for Steam Project

	Labor Hours	Labor Cost	Expenses	Total
Water Treatment Start Up Support	161	\$ 21,735.00	\$ 2,973.93	\$ 24,708.93
Steam System Start Up Support	104.5	\$ 14,107.50	\$ 1,871.52	\$ 15,979.00
Steam System Start Up Support	278.8	\$ 37,638.00	\$ 2,248.85	\$ 39,886.85
Steam System Start Up Support	393.8	\$ 53,163.00	\$ 5,328.37	\$ 58,491.37

Totals **938.1** **\$ 126,643.50** **\$ 12,422.67** **\$ 139,066.15**

- 1.) All control hardware was supplied under the SLP Modification contract with Himec and had a value of approximately \$500,000
- 2.) Engineering and integration of system controls were approved by the Board in 2003 and allowed us to use the existing Delta V control system and eliminate individual PLC based controls for each process. PO valued at \$250,000
- 3.) The SLP modification project budget has a \$357,000 contingency fund against which these activities will be charged.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Novaspect Inc. for

Professional Engineering Services for
Start Up and Commissioning of the Steam Project Controls

The amount of the purchase order agreement to be ONE HUNDRED THIRTY-NINE THOUSAND SIXTY-SIX AND 17/100 DOLLARS (\$139,066.17).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of March, 2006.

President

Secretary