

# FOR BOARD ACTION

Agenda Item #

5

Meeting Date:

7/25/06

**SUBJECT:**

SLP Unit No. 4 Boiler  
Change Order to Purchase Order #10225

**PREPARED BY:**

Wally Schlink  
Director of Power Resources

ITEM DESCRIPTION:

During the 2006 scheduled outage, SLP Unit 4 went through a thorough boiler assessment to evaluate the condition of the unit and to identify any major work that was required to assure that the useful life of the boiler was sufficient to support a major investment in the emissions reduction equipment. The assessment required that tube samples be removed & replaced, that access hand holes be removed & replaced, that specialized valves be installed & restored after testing and that various other activities take place to conduct a thorough evaluation of the boiler condition. The assessment team required a support organization that could provide the professional technical services related to the assessment which included cutting and welding on high pressure boiler tube and power piping under the National Boiler Code regulations and all that code requires. Staff hired Morehead Machinery and Boiler Company to provide the support activities and issued Purchase Order #10225 based on our estimate of the scope of work.

Based on the results of the assessment, the scope of the work increased to include pad welding and overlay of several tubes, replacement of various tube sections, repair of leaking components and other repair and restoration activities to return the boiler to a safe operating condition. All these activities required a National Boiler Code certified team that had the accepted processes, procedures and qualifications to perform repair work on a high pressure utility boiler. Based on these requirements, staff requested that Morehead Machinery perform the additional work scope to return the unit to service for the summer generating service. The cost of the additional work is \$68,084.39 The good news is that the boiler was in very good shape and we will not require replacement of major components.

This work is budgeted in the 2006 Capital and Major Maintenance budget.

UTILITY BOARD ACTION REQUESTED:

Staff requests that the Board approve a change order to Purchase Order # 10225 in the amount of \$68,084.39 for the additional work scope on SLP Unit 4 boiler. The total amount of the purchase order will be \$99,284.39

  
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General Manager

  
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Date



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a change order to Purchase Order #10225 in the amount of \$68,084.39 for the additional work scope on the Silver Lake Plant Unit 4 boiler. The total amount of the purchase order will be \$99,284.39.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25<sup>th</sup> day of July, 2006.

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President

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Secretary