

FOR BOARD ACTION

Agenda Item # 7.b.

Meeting Date: 1/24/05

SUBJECT: Engineering Services for Diesel Gensets
Ulteig Engineering

PREPARED BY: Scott C. Nickels
Project Electrical Engineer

ITEM DESCRIPTION:

Over the past year RPU has been in the design phase with IBM regarding the utilization of two diesel generators for standby electric service for IBM Building 20 and Powerhouse Building 301 on the Rochester IBM campus, as well as jointly providing peaking capacity for RPU. Ulteig Engineers Inc. was engaged by RPU on March 29, 2004 (P.O. 0000010073) for \$45,000 to create the bid specification documents that outlined the equipment specifications and "turnkey" installation requirements for the project. On July 12, 2004 a single equipment bid was received by Ziegler Power Systems for the project with an exception taken to the "turnkey" installation of the bid equipment. On July 27, 2004 the Utility Board approved an equipment contract with Ziegler Power Systems for the purchase of 2 – 2.0MW Packaged Engine Generator and Distribution Systems. As a result RPU became responsible for the interconnection of the purchased equipment. Additional engineering services have been requested from Ulteig Engineers Inc.

At the beginning of the project, Ulteig Engineers Inc. was initially contracted to create the bid documents, the equipment specifications, and installation requirements for the generator system at IBM Building 20 only. The project scope was later expanded at IBM request to include a second generator system for IBM Power House Building 301 to facilitate cooling of the computer facilities located inside of Building 20. The Powerhouse Building 301 generator system had unique design and installation requirements that forced the bid documents to be revised and expanded by Ulteig Engineers Inc. Later in the project, Ziegler Power Systems was awarded to the equipment bid with an exception taken to the "turnkey" installation requirements in the bid documents. The \$55,000 estimate provided by Ulteig Engineers Inc. will provide the remaining engineering design and drawings required to complete the interconnection of both generator systems. This cost increase remains within the total project cost estimate that was used in establishing pricing to IBM.

UTILITY BOARD ACTION REQUESTED:

It is recommended that the Utility Board approve a purchase order agreement with Ulteig Engineering Inc. in the amount of \$55,000.00.



General Manager

1-20-05
Date

ROCHESTER PUBLIC UTILITIES



RESOLUTION

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

Engineering Services
for
Diesel Gensets

The amount of the purchase agreement not to exceed FIFTY-FIVE THOUSAND AND 00/100 DOLLARS (\$55,000.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of January, 2005.

President

Secretary