

Agenda Report

TO: CITY COUNCIL DATE: OCTOBER 15, 2001
FROM: CITY MANAGER
SUBJECT: AUTHORIZATION TO ENTER INTO CONTRACTS FOR MAJOR INSPECTION AND OVERHAUL OF UNIT B-3 TURBINE-GENERATOR AT THE BROADWAY PLANT

RECOMMENDATION:

It is recommended that the City Council:

- 1) Authorize a contract with Irwin Industries, Inc. for providing field-service personnel for Unit B-3 turbine-generator overhaul at the Broadway Power Plant for an amount not-to-exceed \$270,000. The proposed contract is exempt from competitive bidding pursuant to City Charter Section 1002 (f), contracts for professional or unique services;
- 2) Authorize a contract with Siemens Westinghouse Power Corporation for furnishing turbine parts and providing a technical field adviser for Unit B-3 turbine-generator overhaul at the Broadway Power Plant for an amount not-to-exceed \$660,000. The proposed contract is exempt from competitive bidding pursuant to City Charter Section 1002 (f), contracts for professional or unique services; and
- 3) Grant the contract with Siemens Westinghouse Power Corporation an exemption from Competitive Selection Process of the Affirmative Action in Contracting Ordinance, pursuant to Pasadena Municipal Code Subsection 4.09.060 (c), contracts for which the City's best interest are served.

BACKGROUND:

The major inspection and overhaul of the Broadway Unit B-3 turbine-generator is scheduled to take place from November 2001 to February 2002. This standard utility practice of periodic inspection and overhaul helps to maintain the reliability

and efficiency of the unit. Under the proposed overhaul work, the steam turbine will be opened, disassembled, and inspected for sustained damage over and above normal wear. The B-3 turbine's critical components, such as turbine blades and other rotating elements of the unit, will be subjected to non-destructive examination and a limited number of parts will be repaired or replaced. The last major overhaul performed on the unit was in December 1994.

Two contractors will be utilized for the major inspection and overhaul of Unit B-3 turbine-generator. The contract with Irwin Industries is to provide field-service personnel who are experienced and qualified to perform turbine-generator overhaul. The other contract for Siemens Westinghouse is to furnish turbine parts and to provide an on site technical field adviser.

The proposed contract with Irwin Industries will provide the services of six millwrights, two mechanics, and two millwright-helpers on an "as-needed basis" for the duration of the overhaul work. This workforce will augment the City's maintenance personnel in order to accomplish the overhaul in a timely manner.

A Request for Proposal (RFP) for providing field-service personnel for Unit B-3 turbine-generator overhaul was issued to ten firms; however, only seven firms responded to the City's RFP. The proposals received were independently evaluated by four City staff based on the criteria stated in the RFP and the evaluation yielded the following scores:

<u>BIDDERS</u>	<u>EVALUATED SCORES</u>
Irwin Industries, Inc.	82.50
FHI Plant Services	77.28
Thomason Mechanical Corp.	71.93
Edison O & M Services	68.73
Vaughan's Industrial Repair Co.	64.48
Complete Plant Maintenance	63.60
WBI Energy Services	59.50

(A summary table of the evaluation is attached as Attachment 1)

Irwin Industries met the requirements of the RFP, received the highest evaluated score, and is therefore recommended for award of the proposed contract for field-service personnel.

The proposed contract amount of not-to-exceed \$270,000 includes the cost of services to be performed by Irwin Industries of \$248,532 and a contingency

amount of \$21,468 (approximately 9%) to accommodate any necessary change orders. The cost of services to be performed by Irwin Industries is based on the hourly rates submitted in the proposal and the man-hours estimated by the staff to complete the unit overhaul.

The proposed contract with Irwin Industries complies with the Affirmative Action in Contracting Ordinance, Pasadena Municipal Code, Chapter 4.09 and the Living Wage Ordinance, Pasadena Municipal Code, Chapter 4.11.

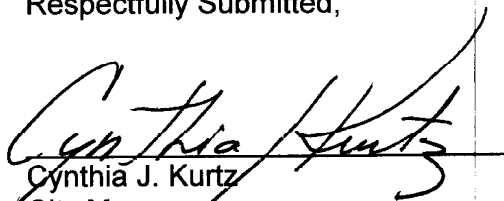
The second contract with Siemens Westinghouse is recommended because staff cannot identify another firm that could qualify to perform the B-3 turbine-generator overhaul work satisfactorily. The B-3 turbine-generator was originally designed and built by Allis-Chalmers to whom Siemens Westinghouse has become the successor in interest. The design and turbine material composition are proprietary, and only a Siemens Westinghouse technical field adviser has the capability to advise correct procedures as well as specify the required clearance, torque, and tolerance essential to overhauling of Unit B-3 turbine-generator.

Under the proposed contract, Siemens Westinghouse will supply certified parts that are routinely replaced in the overhaul work and provide an on site technical field-adviser for the duration of the overhaul work. The cost of parts and services to be furnished by Siemens is estimated to be \$603,128 based on similar overhaul work done last year on Unit B-2 (see Attachment 2). To allow for any contingencies resulting from unexpected findings during inspection, it is requested that an additional \$56,872 (approximately 9%) be authorized for change orders. If abnormal damage to critical components is discovered during the inspection of the unit, staff will reassess the economics and request authorization from the City Council for necessary repairs under a separate Agenda Report.

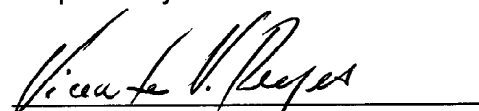
FISCAL IMPACT:

Funding is from the approved FY 2002 Capital Improvement Program, Budget No. 3132 for B-3 Major Overhaul.


Respectfully Submitted,


Cynthia J. Kurtz
City Manager

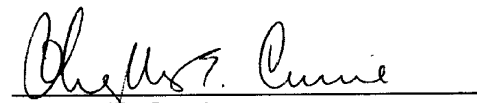
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