

RESOLUTION NO. 2014-446

A RESOLUTION TO AMEND AND SUPPLEMENT RESOLUTION NO. 2012-480, AUTHORIZING ENGINEERING SERVICES TO INSTALL SELECTIVE CATALYTIC REDUCTION SYSTEM ON THE COMBUSTION TURBINE AT WEST SUBSTATION.

WHEREAS, the City Council of the City of Vineland, on December 11, 2012, adopted Resolution No. 2012-480, entitled "A RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH BURNS AND ROE ENTERPRISES, INC., ORADELL, NJ, FOR ENGINEERING SERVICES TO INSTALL A SELECTIVE CATALYTIC REDUCTION SYSTEM ON THE COMBUSTION TURBINE AT WEST SUBSTATION"; and

WHEREAS, there exists a need to amend and supplement the Professional Services contract awarded to Burns and Roe Enterprises, Inc., Oradell, NJ, for Engineering Services to Install a Selective Catalytic Reduction System on the Combustion Turbine at West Substation as authorized by Resolution No. 2012-480; by change order #4 to Contract No. C12-0082, to provide for additional time and material support, expertise, reviews and oversight relative to the vendor's SCR design, fabrication and construction, including considerations regarding suitability for the intended service; and

WHEREAS, the City Comptroller has certified that funds for the amendment requested herein are available; now, therefore,

BE IT RESOLVED by the Council of the City of Vineland as follows:

1. THAT Resolution No. 2012-480, entitled "A RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH BURNS AND ROE ENTERPRISES, INC., ORADELL, NJ, FOR ENGINEERING SERVICES TO INSTALL A SELECTIVE CATALYTIC REDUCTION SYSTEM ON THE COMBUSTION TURBINE AT WEST SUBSTATION"; be and the same is hereby amended and supplemented to increase the maximum amount of the contract by \$149,345.00.

2. THAT the Purchasing Agent be and the same is hereby authorized to issue an amendatory supplemental change order to Contract No. C12-0082, in the amount in the amount of \$149,345.00.

Adopted:

President of Council

ATTEST:

City Clerk



October 21, 2014

REPORT

TO: THE MAYOR AND COUNCIL

**RE: Amendatory Supplemental Change Order No. 4
Contract No. C12-0082
Install Selective Catalytic Reduction System on Combustion Turbine at West Substation
Burns and Roe Enterprises, Inc., Oradell, NJ**

Dear Mayor and Member of Council:

We are requesting an amendatory supplemental change order to Contract No. C12-0082, issued to Burns and Roe Enterprises, Inc., Oradell, NJ for Engineering Services to Install a Selective Catalytic Reduction System on the Combustion Turbine at West Substation. This contract was authorized by Resolution No. 2013-480, adopted by City Council on December 11, 2012.

The change order requested, in the amount of \$149,345.00, will provide for additional time and material support, expertise, reviews and oversight relative to the vendor's SCR design, fabrication and construction, including considerations regarding suitability for the intended service.

ORIGINAL	\$803,000.00
#1	\$ 68,088.00
#2	(\$ -4,810.00)
#3	\$ 11,440.00
#4	\$149,345.00

This change order will increase the current revised contract amount from \$877,718.00 to \$1,027,063.00.

The amendatory supplemental change order for which authorization is herein requested may be authorized in accordance with N.J.A.C. 5:34-4.1 et seq.

Sincerely,

A handwritten signature in cursive script that reads "Denise Monaco".

Denise Monaco
Assistant Business Administrator

DM/wr

REQUEST FOR CHANGE ORDER



FOR:

Selective Catalytic Reduction System for Combustion Turbine at West Substation

PROJECT NAME

TO: BUSINESS ADMINISTRATION

DEPARTMENT: Electric Utility

FROM: Joseph L. Colla

This is a request for change order # 4 to Contract # C12-0082 for:

Project Name Selective Catalytic Reduction System for Combustion Turbine at West Substation

Name/Address of

Contractor: Burns and Roe Enterprises, Inc. 800 Kinderkamack Road, Oradell, NJ 07649

The change order is necessary because: (use additional pages if necessary to explain your reason and you must attach *documentation to support the necessity of this change order.

*(Documentation from contractor, engineer, etc.)

Please see the attached description and explanation for the change order along with supporting

documentation from the engineering firm.

Original Contract Amount: \$ 803,000

Amount of this change order: \$ 149,345

Previous Change Orders: \$ 74,718

Total Revised Amount: \$1,027,630

APPROVED BY: [Handwritten initials]
10/2/14
[Handwritten signature]
10/2/14

APPROVED BY:

ISABELLA

Print/type

[Handwritten Signature]

Signature

NOTE:

CHANGE ORDERS CANNOT EXCEED 20% OF THE ORIGINAL CONTRACT AMOUNT

Please provide the account number that the change order will be charged to:

Account # 022-0-00-00-000-2-7511700, E 340

CC: Purchasing Division

Reason for Change Order

The project to install a selective catalytic reduction unit to reduce nitrogen oxide emissions from the combustion turbine at west substation has progressed in an atypical manner following award of a contract for the supply of the SCR to a vendor with suspect quality and performance history. Two rounds of bidding were conducted resulting in an award four months later than originally scheduled. The risks associated with this award were well documented upon entering into the contract. VMEU addressed these risks by (1) retaining the services of SourceOne and Eneractive, an engineering firm with extensive experience correcting serious operating and design problems other utilities have had with the vendor's SCRs, and (2) directing Burns and Roe, the engineering firm under contract to provide engineering services for the entire project, to conduct detailed design review. The late award of a contract for the SCR while maintaining the same project completion date in order to comply with a New Jersey DEP regulation to limit nitrogen oxide emissions beginning May 1, 2015 resulted in the late receipt of vendor drawings and the unavailability of detailed construction drawings for use in the selection of a general contractor. It was necessary for Burns and Roe to rework sketches and drawings and spend a significant number of hours assisting VMEU in successfully defending against a major change order request from the general contractor. Burns and Roe along with VMEU personnel have spent many hours rigorously reviewing the SCR engineering/design/fabrication and all associated submittals from the SCR vendor. We had no idea when VMEU entered into a contract with Burns and Roe that an SCR vendor with very serious quality and performance problems would be selected. In order to avoid the serious problems others have experienced it is imperative that considerable time be devoted to design review.

J. L. Colla



Burns and Roe Enterprises, Inc.

PROJECT CHANGE NOTICE (PCN)

Page 1

Project VMEU SCR Retrofit PCN No 005A Rev. 0 Date 09/19/14

W.O. No. 03260 Originator Chianese

In-Scope Out-of-Scope

Explanation: Provide additional time and material support, expertise, reviews and oversight relative to the vendor's SCR design, fabrication and construction, including considerations regarding suitability for the intended service.

Description of Change:

See Attachment 1

Distribution:

- Project Mgr.
- Mechanical
- C/S
- Electrical
- I&C
- Nuclear
- Process
- Proj. Ctls
- Chief Eng.
- Const. Mgr.
- Procurement
- QA
- _____

Affected

- Yes No
- Yes No
- Yes No
- Yes No
- Yes No
- Yes No
- Yes No
- Yes No
- Yes No
- Yes No
- Yes No
- Yes No
- Yes No
- Yes No

Reason for Change: (Check appropriate box)

- Client Request Construction Cost
 - Contractor Regulatory Requirements
 - Improved Construction Schedule Other (Explain)
- Explanation if required: See Attachment 1

Preliminary Impact Assessment (Attach supporting Info Where needed):

Approximate Values

E&D Hours:		Will this change/affect other disciplines? <input type="checkbox"/> Yes <input type="checkbox"/> No
E&D Cost		
Procurement Cost		
Construction Cost		
Operating Costs		

Schedules	
Deliverables	
Other	

Disposition (Work on this change will not proceed until authorized)

- Proceed with Change Do not Proceed with Change
- Present Out of Scope Change to Client

Comments/Instructions:

Project Manager _____ Date _____

Distribution:
Same as above and

ORIGINATOR



Burns and Roe Enterprises, Inc.

PROJECT CHANGE NOTICE (PCN)

Page 2

Project VMEU SCR Retrofit PCN No 005A Rev. 0 Date 09/19/14

W.O. No. 03260 Originator Chianese

(Provide summary description here – Use attachment if necessary):

Impact/Risk of not Proceeding

Signed By: _____
Project Manager/Designee _____ Date _____

Client Action You are Hereby Authorized to Proceed with the Change and Furnish a Detailed Estimate of the Costs Involved.
 Do Not Proceed with the Change. However, furnish a Detailed Estimate of the Costs Involved.

Signed By: _____
Client _____ Date _____

SUMMARY MAN-HOUR and COST ESTIMATE: -(Provide details on separate page(s))

	Engineering	Design	Other Services	Total Hrs	Total \$
Man-hours	515		318	833	
Labor Cost	\$92,610		\$56,735		\$149,345
Other costs (e.g. Out of Pockets, CADD, etc.					\$
	Total Estimated Labor Cost				\$149,345

Affects Construction Cost Estimate: (Attach Estimate) Yes No Amount \$
Explanation:

Affects Procurement Cost Estimate: (Attach Estimate) Yes No Amount \$
Explanation:

Affects Operating Cost Estimate: (Attach Estimate) Yes No Amount \$
Explanation:

Cost of Preparing PCN \$
Total Cost Impact \$149,345

Affects Schedule: Yes No Include a marked up schedule showing impact of change.
Explanation:

PCN pricing is valid until _____, after which time repricing of the PCN may be required

Concurrence: _____
Construction Manager Project Controls Estimating
Approval: (To Present to Client) [Signature] 10/2/14
Project Manager/Designee Date

Client Action after Review of Detailed Estimate and Description of Impact

Proceed with the Change Do Not Proceed with the Change except for cost incurred to prepare PCN and costs to date, if previously authorized to proceed.
Signed by: _____
Client _____ Date _____

Description of Change:

Based on significant concerns regarding the ability of the low price Selective Catalytic Reduction (SCR) vendor (Turner EnviroLogic) to execute the project and deliver a quality, technically acceptable product that meets the specification the SCR specification was sent out for re-bid. This delay in SCR award resulted in late receipt of vendor drawings so the vendor drawings and the Power Burns and Roe (PBR) construction drawings were not available before the General Contractor (GC) award. This led to rework of PBR sketches/drawings and a significant amount of hours to assist VMEU in defending against a major change order request from the GC. In addition these same concerns with Turner EnviroLogic required a significantly more rigorous review and oversight of the SCR engineering/design/fabrication and all associated submittals.

Additional SCR vendor oversight associated with this change order is to ensure the prudent, thoughtful development, and turnover of the SCR. BRE Team will work to ensure that this project is a success in this regard however we cannot accept liability for workmanship, delivery, constructability, operation or performance of the SCR systems.

Hours and expenses are estimated and are subject to change if required. Additional scope or ancillary services requested shall be reviewed and agreed as required to accommodate the needs of the project.

BRE Engineering

Activities (Estimate)	Engineering Hours	Management Hours
Issue PBR sketches/drawings for GC, than rework based on SCR final drawings	120	30
Assist VMEU with GC change order request associated with issue of final documents/drawings	50	80
Multiple SCR Model Plan, Results and Configuration Reviews	25	25
Cooling Air Fan Sizing Change 200 HP to 250 HP to 300 HP including transformer and cable/conduit reviews	80	30
SCR Liner Plates Problems	25	20
Review and evaluate details, including available structural calculations and fabrication drawings, and of the other information submitted by the SCR vendor including initial/conceptual, subsequent detailed/fabrication, construction, startup, and training documentation	195	123
Track expected submittals that are not being received	20	10
Develop PCN	0	10
TOTAL	515	318

No travel expected, but if required travel expenses would be billed at cost. OOP expenses will be billed at cost.

POWER BURNS AND ROE, PROJECT 03260
 VINELAND MUNICIPAL ELECTRIC UTILITY
 WEST STATION SCR RETROFIT PROJECT
 DE-STAFFING TABLE

Go Back to Agenda

Revision 1

STAFF	Commissioning																												COD					TOTAL						
	Actual 29-Aug	Actual 5-Sep	Actual 12-Sep	19-Sep	26-Sep	3-Oct	10-Oct	17-Oct	24-Oct	31-Oct	7-Nov	14-Nov	21-Nov	28-Nov	5-Dec	12-Dec	19-Dec	26-Dec	2-Jan	9-Jan	16-Jan	23-Jan	30-Jan	6-Feb	13-Feb	20-Feb	27-Feb	6-Mar	13-Mar	20-Mar	27-Mar	3-Apr	10-Apr		17-Apr	24-Apr	1-May	8-May	15-May	
PM	25	19	11	20	20	15	15	15	10	10	10	8	8	8	4	4	4	4	4	3	3	3	3	3	3	3	3	3	3	1	1	1	1	4	4	4	4	192		
CSA	5	12	27	10	8	6	6	6	4	4	4	2	2	2	8	8	8	8	8	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	264.5
MECH	4	32.5	39	30	30	20	20	20	10	8	6	4	4	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39
ELECT	3	2	0	4	4	3	3	3	2	2	2	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39
I&C	0	1	4	4	4	3	3	3	2	2	2	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37
ADMIN	2.5	2	-1	2	2	2	2	2	2	2	2	2	2	2	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	17	
PC	0	0	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	17	
TOTALS	39.5	68.5	80	70.5	68.5	49.5	49.5	49.5	30.5	28.5	26.5	18.5	18.5	18.5	13	13	13	13	13	9	9	9	9	9	9	9	9	9	3	3	3	3	13	13	13	13	832.5			

	RATE 1	PRICE
PM	200	\$52,800
CSA	180	\$34,560
MECH	180	\$44,010
ELECT	180	\$7,020
I&C	180	\$7,020
ADMIN	65	\$2,405
PC	90	\$1,530
TOTAL		\$149,345

