

**EMERGENCY RESOLUTION AND PURCHASE ORDER WITH  
GE PACKAGED POWER, INC FOR EMERGENCY REPAIRS  
ON RERC UNITS 1 AND 3 IN THE AMOUNT OF  
\$4,530,289, WITH A CONTINGENCY IN THE AMOUNT OF  
\$453,030**

**Riverside Public Utilities**

City Council  
December 17, 2019

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## **BACKGROUND**

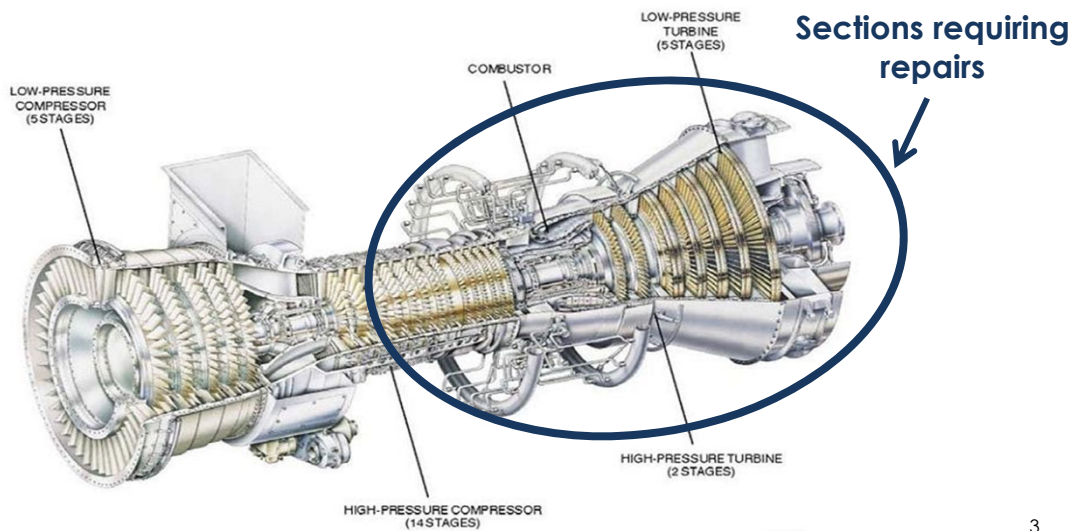
1. Riverside Energy Resource Center Units 1 & 3
  - a) Serve a critical role in meeting customer's energy demands
  - b) Provides almost all electricity during events when power is lost at or from the Vista Substation
2. Preventative maintenance conducted annually
  - a) Specialized borescope inspections of internal components
  - b) Conducted in November 2019
  - c) Cracks were identified that are above allowable limits for continued operation



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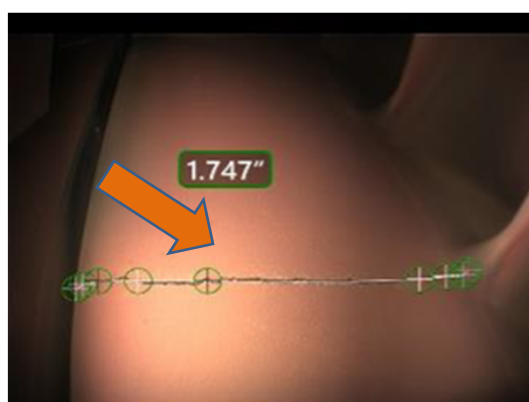
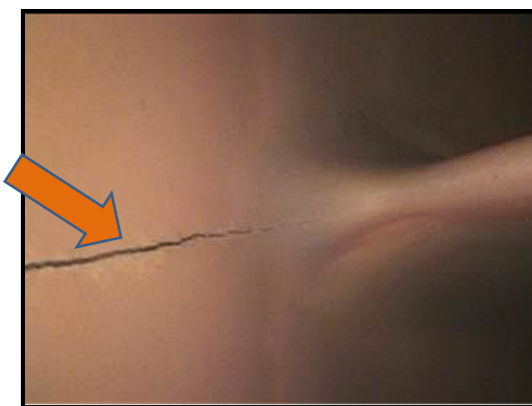
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# GAS TURBINE ILLUSTRATION



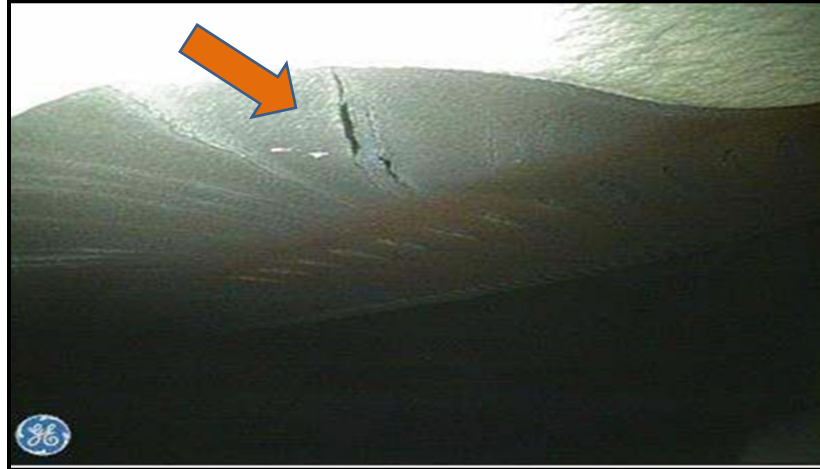
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# RERC 1 – PHOTO OF CRACKED EQUIPMENT



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## RERC 3 – PHOTO OF CRACKS IN EQUIPMENT



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## BACKGROUND

1. Emergency Repairs Necessary
  - a) Primary source for internal generation
  - b) Riverside's City Charter, Section 1202(b) of Article XII authorizes expenditures when it is urgent to preserve life, health or property
  - c) Extended outages of RERC 1 & RERC 3 would have substantial impacts to customers
2. Supplemental Appropriation
  - a) \$4.98 million needed to cover repair costs and contingency
  - b) Repairs on RERC 1 will be capitalized



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## DISCUSSION

1. Due to the urgency of the necessary repairs, the project was unable to be competitively bid
  - a) Section 1109 of the City Charter provides that such contracts may be let without advertising for bids if such work or supplies or materials are deemed by the City Council to be of urgent necessity for the preservation of life, health or property; and
  - b) Shall be authorized by resolution passed by at least five affirmative votes of the City Council; and
  - c) Contain a declaration of the facts constituting such urgency.



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## DISCUSSION

2. Only 4 Authorized Vendors Worldwide
  - a) General Electric (GE) - Texas
  - b) TransCanada Turbine (TCT) - Canada
  - c) IHI Power System Co, Ltd (IHI) - Japan
  - d) MTU Aero Engines AG (MTU) - Germany
3. Selected Vendor for Parts and Labor
  - a) GE only fully responsive vendor and could complete work in a timely manner
  - b) Exchange of damaged components with refurbished parts



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## DISCUSSION

### 4. Costs

Components and Replacement		Cost
RERC 1	Combustor, High Pressure Turbine, Low Pressure Turbine	\$3,966,955
RERC 3	Second Stage Nozzle Replacement	\$563,334
<b>Purchase Order Total</b>		<b>\$4,530,289</b>
Contingency (Not to exceed 10%)		\$453,030
<b>Total Supplemental Appropriation</b>		<b>\$4,983,319</b>



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## RECOMMENDATIONS

That the City Council:

1. Adopt, by five affirmative votes, an emergency resolution waiving formal bidding requirements and declaring the repairs on the gas turbines for Riverside Energy Resource Center Units 1 and 3 of an urgent necessity for the protection and preservation of public life, health, and property;
2. Approve the issuance of a purchase order(s) with GE Packaged Power Inc., of Houston, Texas, in the amount of \$4,530,289 for emergency repairs on gas turbines for Riverside Energy Resource Center Units 1 and 3 and authorize staff to make any necessary revisions to the purchase order terms and conditions to complete the repairs;



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## RECOMMENDATIONS

3. Authorize a 10% change order authority in the amount of \$453,030; and
4. Authorize a supplemental appropriation in an amount not to exceed \$4,983,319 from the Electric Fund Unrestricted, Undesignated Cash Reserve for emergency repairs on gas turbines for Riverside Energy Resource Center Units 1 and 3.

