

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



213

Reviewed by
CIP TEAM
Christopher Hens
Christopher Hens

FROM: Economic Development Agency

SUBMITTAL DATE:

September 16, 2010

SUBJECT: Southwest Justice Center Cogeneration Plant Repairs – Change Order No. 2

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve Change Order No. 2, in the amount of \$136,163, to complete re-building of engine one and find the work integral to the project;
2. Authorize the Assistant County Executive Officer/EDA, or designee, to execute the change order on behalf of the County; and
3. Approve a \$136,163 increase to the project budget.

BACKGROUND: On November 3, 2009, the Board of Supervisors approved the contract between Endurant Energy, LLC (Endurant) and the County of Riverside to determine the cause of engine failures and rebuild the engines for the Southwest Justice Center Cogeneration Plant Repairs Project (Project).

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 136,163	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: The County's boiler and machinery insurance subject to \$10,000 deductible amount; the deductible to be paid by the Department	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: *Jennifer L. Sargent*
Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Buster and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Stone, Benoit and Ashley
Nays: None
Absent: Tavaglione
Date: September 28, 2010
xc: EDA, Auditor, CIP

Kecia Harper-Ihem
Clerk of the Board

By: *Kecia Harper-Ihem*
Deputy

3.41

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: *Samuel Wong* 9/16/10
DATE: 9/16/10
FORM APPROVED COUNTY COUNSEL
BY: *Marshall Victor*
DATE: 9/16/10

BACKGROUND: (Continued)

Change Order No. 2 addresses unforeseen conditions of re-building engine one, and will exceed the 10% contingency allowance, which requires Board approval. The change order will compensate Endurant in the amount not to exceed \$136,163, for work essential to complete the work and for the proper operation of engine no. 1 for the cogeneration system.

After disassembly and inspection of the lower end of engine one, it was discovered that the crankshaft was damaged beyond field repair and the replacement of the shaft would have to be performed at the vendors shop. The reason for shop repair is due to an unidentified grainy material found throughout the lower end and in the oil galleys which must be removed to ensure safe operation of the engine. The main purpose the cogeneration system is to produce electricity using natural gas which is more cost effective than to purchase the electricity. It is critical that the plant run due to energy savings.

A budget increase is needed to pay for the extra costs of re-building of engine one, an additional cost that was not anticipated until the disassembling of the engine.

The approximate allocation of the budget increase is as follows:

Original Project Budget	\$412,000
Change Order No. 1	\$ 9,054
Change Order No. 2 – Additional Repairs	<u>\$136,163</u>
Revised Total Project Budget	\$557,217

FINANCIAL IMPACT:

Additional funds of \$136,163 are necessary for the repairs of engine one and to complete the project. All costs associated with this project will be covered under the County's boiler and machinery insurance subject to a \$10,000 deductible amount.