



MEMORANDUM

TO: Mayor and Council Members

CC: Marc A. Ott, City Manager

FROM: Cheryl Mele, Deputy General Manager, Austin Energy *Cheryl Mele*

DATE: December 21, 2012

SUBJECT: Critical Business Need for Decker Creek Power Station's Unit #2 Start-up Boiler Feed Pump

ACTION:

As is detailed below, and, in accordance with City Council-approved purchasing procedures, I am designating as a Critical Business Need of Austin Energy (AE), the repair of Decker Creek Power Station's Unit #2 Start-up Boiler Feed Pump (SUBFP). This high precision pump delivers clean water to the Unit #2 boiler tubes for the generation of steam to drive the turbine. This pump had a severe leak in the main head section and when that section was disassembled the main head was seen to be severely damaged. In order to repair these damages the components were express-shipped to the Contractor's repair shop where specialized tooling and machines are available to effect these repairs. It was not possible to identify these additional damages before disassembly. This start-up Boiler feed Pump is needed to start Unit #2 (405 megawatts of generation).

BACKGROUND:

The initial scope of work to repair the leaking main head section was quoted by the Contractor as \$32,490. The original quote and the additional costs associated with repairing the damages discovered after disassembly add to a grand total of \$72,560 and are broken down as follows:

Original scope of work; [\$32,490]

- Disassemble main head section to gain access to gasket area that was leaking
- Visually inspect areas/components exposed/readily accessible
- Prepare damage report listing required repairs
- Repair leaking gasket
- Reassemble main head section
- Start-up support services

Additional work identified: [total for all 3 additional scopes is \$40,070]

1. Pump requires in-shop machining
 - Shipment to repair shop
 - Machining work in repair shop
 - Crew on site additional days (cleaning/prepping)
2. Sleeve bushing required in-shop machining
 - Vendor transports to repair shop
 - Machining work in repair shop
 - Crew on site additional days (stand-by)
3. Lock nut to be newly fabricated
 - Material procured
 - Part fabricated in repair shop
 - Crew on site additional days (cleaning/prepping)

AE plans to bring this item forward for ratification by the City Council as soon as possible.
Please let me know if you have any questions.