



Agenda Item No. 2

To: Building and Operating Committee/Committee of the Whole Meeting of July 23, 2009

From: James P. Swindler, Deputy General Manager, Ferry Division  
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE EXECUTION OF CHANGE ORDER NO. 1 TO CONTRACT NO. 2009-FT-7, FOUR MARINE DIESEL ENGINES AND INSTALLATION SUPPORT SERVICES FOR RE-POWERING OF THE M.V. DEL NORTE, TO PROVIDE PROPULSION SHAFTING SUPPLY FOR THE M.V. DEL NORTE RE-POWER, WITH PACIFIC POWER PRODUCTS**

**Recommendation**

The Building and Operating Committee recommends that the Board of Directors approve the following actions:

1. Authorize execution of Change Order No. 1 to Contract No. 2009-FT-7, *Four Marine Diesel Engines and Installation Support Services for Re-Powering of the M.V. Del Norte*, with Pacific Power Products, of Kent, WA, in the amount of \$144,432, for the purchase and installation of a new drive shaft, and associated services, as part of the *M.V. Del Norte* re-power project; and,
2. Authorize an additional \$13,000 to be added to the contract contingency to cover use tax, for a total contract budget of \$1,676,036,

with the understanding that requisite funds are included in the FY 09/10 Ferry Transit Division Capital Budget and are available in the total project budget to support this change order.

**Summary**

The *M.V. Del Norte* was built in 1997. Its main diesel engines have reached their life expectancy, accumulating close to 31,000 hours of service. In November 2008, the Board awarded a contract to Pacific Power Products (PPP) of Kent, WA, for the procurement of four 12V4000M60 main propulsion engines, engineering, and installation support services. The engines, together with the gears and the drive shaft, make up the vessel's propulsion package. The *M.V. Del Norte's* gears will be able to be refurbished and incorporated in the repowered system. But the propulsion package requires a new drive shaft in addition to the new engines. Given the interconnection between the engine and the drive shaft, it is important that there be a

single entity assuming the risk and warranty of the design and integration of the entire propulsion system to the greatest extent practical. It therefore makes sense for PPP to procure the drive shafts as part of the engine procurement contract. PPP will be responsible for engineering the drive shaft as part of the propulsion system. Staff has determined that PPP's proposed cost for this change order is fair and reasonable based on an analysis of the engineering costs, as well as the cost of the drive shaft itself.

**Fiscal Impact**

This cost of the change order is included in the project budget. This project is included in the FY 09/10 Ferry Transit Division Capital Budget at a total cost of \$4,407,000 (which includes the purchase of the drive shafts, which is the subject of this document, the waterjets, re-ratioing of the gearboxes, the engines, their installation, the purchase and installation of new generators, the engineering, and District administrative and other miscellaneous costs) and is 100% grant funded (\$3,173,854 Carl Moyer funds and \$1,233,146 FTA funds). Sufficient funds are available in the total project budget to support this change order and increased contingency.