

July 29, 2014

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

**SUBJECT: Moses-Willis Circuit Separation Project –
Change Order Authorization Request**

SUMMARY

The Trustees are requested to authorize additional funding in the amount of \$239,163 to resolve the claims submitted by Michels Power, a Division of Michels Corporation, of Neenah, Wisconsin (“Michels Power”), following the February 2014 completion of the Moses -Willis Circuit Separation Project (the “Project”).

BACKGROUND

The Project involved the removal of the double-circuit contingency identified by the New York Independent System Operator on the Moses – Willis – Plattsburgh Facility. This double-circuit contingency resulted from the Moses – Willis 1 & 2, 230 kV transmission lines being located on common structures for the first two miles from the St. Lawrence Moses Switchyard. A tower failure could have resulted in both Moses-Willis transmission lines being out of service.

The Trustees, at their May 21, 2013 meeting, authorized capital expenditures for the Project in the amount of \$6.1 million. Subsequently, a contract award was issued to Michels Power (PO# 4500232257). The status of the contract is as follows:

- Original Award	\$2,499,167.53
- Change Order No.1	939,934.85
- Current Change Order Request	239,162.63

Total	\$3,678,265.01

In accordance with the Authority’s Expenditure Authorization Procedures, Cumulative Change Orders exceeding the greater of \$1 million or 25% of the original amount approved requires the Trustees’ approval.

DISCUSSION

Following completion of the Project, Michels Power, submitted contract claims resulting from unforeseen site conditions and inclement weather. During the winter of 2013-14, northern New York experienced long durations of excessive rain, snow and extended periods of below “0” degree temperatures. The original Project plan was to complete the project in the summer months. However, due to an increase in material lead times associated with an increase in

demand for materials following hurricane Sandy, Project implementation occurred during the fall and winter months. The specific claims are:

1. Plate/Anchors
Original design specified helix anchors. Due to soil conditions, these anchors could not be driven, therefore, the design was altered to plate/dead man anchors, which involved additional excavation and backfilling.
2. Stone Access Roads and Matting
Due to inclement weather, additional matting and road work was required in Dodges Field.
3. Dampers
Crews were re-mobilized for the installation of dampers following the Moses - Alcoa 4 installation and energization.
4. Drilling
Surveying delays caused additional downtime for the New York Drilling Services, Inc.
5. Fittings
Design altered the installation of the dead ends from mechanical to compression type fittings, which involved additional man-hours.

FISCAL INFORMATION

Payment associated with this project will be made from the Authority's Capital Fund.

RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Acting Vice President – Project Management, the Vice President – Engineering, the Acting Vice President – Procurement, the Project Manager, and the Regional Manager – Northern New York recommend that the Trustees authorize the Change Order in the amount of \$239,163 to resolve the claims submitted by Michels Power following the completion of the Moses -Willis Circuit Separation Project.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Gil C. Quiniones
President and Chief Executive Officer

RESOLUTION

RESOLVED that pursuant to the Authority’s Expenditure Authorization Procedures, capital expenditures in the amount of \$239,163 to resolve the claims submitted by Michels Power following the completion of the Moses -Willis Circuit Separation Project are hereby authorized in accordance with, and as recommended in the foregoing memorandum of the President and Chief Executive Officer;

<u>Contractor</u>	<u>Contract Approval</u>	
Michels Power	Original Award	\$2,499,167.53
PO# 4500232257	Change Order No.1	939,934.85
	Current Request	<u>239,162.63</u>
	Total	<u>\$3,678,265.01</u>

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chair, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.