



General Manager
334 Front Street
Ketchikan, AK 99901

Phone (907) 228-5603
Fax (907) 225-5075

TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, General Manager

DATE: January 12, 2021

RE: **Authorizing Budget Transfer - Exempting the Procurement of Howell Bunger Valve Including Specialized Design, Parts, Valve Controls, Expedited Manufacturing and Shipping from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – VAG Group**

The motion detailed below was prepared at the request of Electric System Engineering Manager Jeremy Bynum, who asked that it be placed before the City Council for formal consideration at its meeting of January 21, 2021. If adopted, the motion provides for exempting the procurement of a Howell Bunger Valve for the Silvis Lake Hydroelectric Project from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code and authorizing the procurement of the valve including specialized design, parts, valve controls, expedited manufacturing and shipping from the VAG Group at a cost not to exceed \$120,000.

Subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code provides for exempting the purchase of such a valve from the competitive bidding/quotation when:

“Supplies, materials, equipment or contractual services which should be purchased from a specific source in order to prevent incompatibility with previously purchased supplies, materials, equipment or contractual services. For the purpose of this paragraph, the term “incompatibility” is defined as:

- (A) The inability to interconnect, combine, interchange, or join; or
- (B) That which causes substantial duplication in maintenance, expertise or training or in the stocking of parts, materials, supplies or replacement. Any purchase which is to be excluded from competitive bidding by authority of this subparagraph which exceeds \$10,000, must first be approved by the council.”

The rationale for the exemption is detailed in Mr. Bynum's transmittal memorandum and needs no elaboration on the part of my office. I concur with the Electric System Engineering Manager's recommendation.

As no appropriation was approved for the procurement of the valve in the 2021 Electric Division Operating and Capital Budget, Mr. Bynum is proposing a budget transfer in the amount of \$120,000 from the division's 2021 Bailey Unit No. 1 Rehabilitation capital account to a new Howell Bunger Valve Replacement capital account.

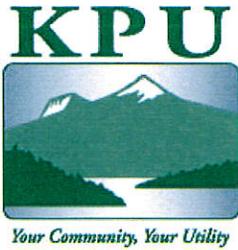
Mr. Bynum and the Electric Division Manager will be attending the City Council meeting of January 21, 2021, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

Pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, it is recommended that the City Council adopt the motion exempting the procurement of a Howell Bunger Valve for the Silvis Lake Hydroelectric Project from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorizing the procurement of such a valve including specialized design, parts, valve controls, expedited manufacturing and shipping from the VAG Group at a cost not to exceed \$120,000; approving a budget transfer in the amount of \$120,000 from the division's 2021 Bailey Unit No. 1 Rehabilitation capital account to a new Howell Bunger Valve Replacement capital account; and directing the General Manager to execute the contract documents on behalf of the City Council.

Recommended Motion: Pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, I move the City Council exempt the procurement of a Howell Bunger Valve for the Silvis Lake Hydroelectric Project from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the procurement of such a valve including specialized design, parts, valve controls, expedited manufacturing and shipping from the VAG Group at a cost not to exceed \$120,000; approve a budget transfer in the amount of \$120,000 from the division's 2021 Bailey Unit No. 1 Rehabilitation capital account to a new Howell Bunger Valve Replacement capital account; and direct the General Manager to execute the contract documents on behalf of the City Council.



Electric Division
1065 Fair Street
Ketchikan, AK 99901

Phone: (907) 225-5505
Fax: (907) 247-0755

TRANSMITTAL MEMORANDUM

TO: Karl Amylon, KPU General Manager
Lacey Simpson, Assistant KPU General Manager

FROM: Jeremy T. Bynum PE, Electric System Engineering Manager

DATE: January 12, 2021

SUBJECT: Silvis Howell Bunger Valve (HBV) Replacement

This is a request for Council approval for exemption to competitive bidding of one (1) VAG Howell Bunger Valve (including specialized design, parts, valve controls, expedited manufacturing, and shipping) for the Silvis Powerplant, creation of a capital account for this project, and a budget transfer for this project.

The exemption to competitive bidding in accordance with KMC 3.12.050(a)(6) is required because this improvement can only be provided by a specific source and to prevent incompatibility with existing systems.

The Silvis Howell Bunger valve (HBV) is a critical component necessary for passing water safely from Upper Silvis Lake to Lower Silvis Lake for Beaver Falls generation when the Silvis generator is not in operation. The Silvis/Beaver Falls system is responsible for more than fifty percent (+50%) of KPU's generating capacity; not having the HBV available puts KPU at risk of lost generation. Potential lost generation at Beaver Falls Powerplant due to a HBV failure could cost KPU \$255,000.00 per month. In addition, not having a functioning HBV creates a hazard potential for the Silvis Dam and spillway.

In September 2020, KPU experienced a failure of the Silvis Powerplant Howell Bunger valve (HBV). The valve was removed and sent out-of-state for repair to a HBV repair specialist; upon evaluation, it was determined that only temporary repairs were available for the valve and that it requires immediate replacement. KPU plans to wait to reinstall the HBV until a replacement can be obtained; however, to reduce KPU's risk, the valve was temporarily repaired and returned to Ketchikan. The temporarily repaired HBV will only be used in an emergency scenario.

The failed Silvis HBV was manufactured by Allis-Chalmers in 1967. The valve is now obsolete; however, a direct replacement can still be obtained through VAG (VAG-Group). VAG specializes in Howell Bunger valves and has the ability to replicate the fit and function of the 1967 Allis-Chalmers valve.

VAG is the recommended supplier for the replacement HBV because of their history and experience. In the 1930s, Mr. C.H. Howell and Mr. P. Bunger developed the fixed-cone valve design in the US; the S. Morgan Smith Company was soon acquired by Allis-Chalmers. Between 1935 and 1989, Allis-Chalmers manufactured nearly three hundred HBVs for applications within North America, included the Silvis HBV. In 1990, Allis-Chalmers declared bankruptcy and the valve lines were acquired by Rodney Hunt Company in Massachusetts. Rodney Hunt was then acquired by GA Industries. In 2008, Rexnord acquired GA Industries and again in 2011 acquired the VAG-Group; afterwards, Rexnord handed the valve line management over to the VAG-Group in Germany. The VAG-Group is now the manufacture of these valves.

The scope of this project is to replace the Silvis HBV with a suitable replacement; this work will require engineering and may require an update to the valve control. The not-to-exceed budget will cover the procurement of the VAG Howell Bunger Valve, specialized design, parts, valve controls, expedited manufacturing, and shipping. KPU can anticipate that the manufacturing time may take up to 34 weeks plus 2 weeks shipping. This schedule puts the installation window in October assuming an approval in January 2021. If approved, KPU will work to advance the production time to ensure a Q3 installation.

The total cost of this project is estimated not-to-exceed \$120,000.00, which includes \$71,220.00 for the VAG Howell Bunger Valve; \$48,780.00 for valve controls, expedited design/manufacturing, shipping, and additional procurement cost associated with this project.

This request is for exemption to competitive bidding, to authorize the creation of a capital account for 2021 CIP Silvis Howell Bunger Valve replacements, and a budget transfer. KPU Electric will coordinate with the Finance Director and will request that the funds come from the 2021 Electric Division CIP4 Bailey Unit No. 1 Rehabilitation (\$865,835.00); the rehabilitation project is not scheduled to start till late 2021, at the earliest, due to project scope, the ability to award a contract in 2021, and the other Bailey diesel project (Bailey Unit No. 3 Rehabilitation) priority.

Recommendation

Pursuant to Subparagraph 6 of Section 3.12.050(a)(6), I move the City Council approve the exemption to competitive bidding of one (1) VAG Howell Bunger Valve for Silvis Powerplant, authorize the creation of the Silvis Howell Bunger Valve Replacement capital account, and authorize the general manager to transfer of \$120,000.00 from the Electric Division's Bailey Unit No. 1 Rehabilitation capital account to the Electric Division's Silvis Howell Bunger Valve Replacement capital account.

Attachment: 20210112 Council – VAG Quote.pdf
20210112 Council – CIP4.pdf

Quotation



To:

KETCHIKAN PUBLIC UTILITIES
334 Front Street
Ketchikan, AK 99901

Quotation No.: 0007-2009-0295-02

Valid until 2021-02-28

Project: Ketchikan - Howell Bunger Valve

Date: December 18, 2020

Inside Sales Estimator

Jörg Baader +1 (724) 900 4194 j.baader@vag-group.com

Regional Sales Manager

Richard Miller (724) 584-8024 r.miller@vag-group.com

We are pleased to provide our quote as follows.

Executive summary:

Item	Qty	Description	UNIT PRICE USD	TOTAL PRICE USD
10	1	VAG KSSplus Howell-Bunger® Discharge Valve 14" Class 150	71,220.00	71,220.00
Total Price				71,220.00

Lead times: After receipt of purchase order, the drawing submittal(s) to be sent in 4-6 weeks.
Upon release to production, shipment in 26-28 weeks. Stated lead times will not commence until express agreement has been made.

Warranty: 24 months after shipping, or notification of readiness to ship in case where shipment is held or delayed. Spare and working parts are exempted.

Terms of delivery: DDP (Incoterms 2020)

Terms of payment: 30 days net after invoicing

Terms of sale: Our quotation is subject to our General Terms and Conditions of Sale, as attached hereto.
A contract shall only become effective upon Seller's order confirmation

Item No.: 10 **VAG KSSplus Howell-Bunger® Discharge Valve 14" Class 150**
 Qty: 1

Unit Price USD Total Price USD
71,220.00 71,220.00

Characteristics:

- for horizontal installation as bottom outlet valve
- for discharge control
- no cavitation in any control position
- predominant linear control characteristics
- discharge valve for low operating forces
- resilient seated sealing ring chambered and hidden from the streamline
- profile sealing ring replaceable without dismantling the valve from the pipeline
- adjustable sliding shoes
- for water temperature up to max. 50°C (122F)
- flange faced and drilled according ANSI class150
- Face-to-face length: approx 40.5 in

Materials:

- body, pipe cone and rips: welded steel according VAG standard
- jacket pipe of shut off sleeve: stainless steel 1.4307 (SS304L)
- working surfaces: stainless steel 1.4307 (SS304L)
- seat ring: stainless steel 1.4307 (SS304L)
- profile sealing ring: rubber NBR
- spindle of stainless Steel 1.4122 (SS430)
- bearing bushes: bronze
- secondary sealing EPDM

Corrosion protection:

- inside and outside epoxy coating, RAL 5005, thickness > 250 µm (10mils)

- Equipment for electric actuator:

- 1 double gear box positioned on the top of the body with vertical shaft outlet
- 2 bevel gear boxes positioned on the left and the right side of the body
- 1 electric actuator AUMA SAR 10.2, direct mounted on the double gear box.

- Auma modulating actuator SAR 10.2

- | | |
|---|--------------------------------|
| - Type of duty | S4 - 25% ED |
| - System voltage | 3-phase current, 480 V / 60 Hz |
| - Output speed (rpm) / Running time | 19,2 rpm / 284 s |
| - Output drive plug sleeve | Output drive B3 |
| - heater in switch compartment | 24 V |
| - Temperature range | standard -22°F to +158°F |
| - protection class | IP68 |
| - Corrosion protection | KS |
| - colour | grey |
| - Magnetic limit and torque transmitter (MWG) | |

- Controls AUMATIC AC 01.2

- | | |
|-------------------------|--------------------------|
| - electrical connection | with NPT-threads |
| - Temperature range | standard -22°F to +158°F |
| - Control voltage | signal level 24 V DC |

- voltage tolerance
- output contacts

- positioner with 0/4-20mA input
- input signals

+/-10%
5 potential-free NO with one common (max. 250 V
AC, 1 A)

MODE, OPEN, STOP, CLOSE, EMERGENCY

Comment & Exceptions:

- The product(s) quoted herein do not comply with AIS (American Iron and Steel Act).
- Please confirm the hydraulic data prior to order.
- Please address Purchase Orders to VAG GmbH, Carl-Reuther-Str.1, 68305 Mannheim, Germany.

Factory Holidays:

From 21.12.2020 - 06.01.2021 we are on factory holidays and cannot be reached as usual during this time. We already wish you happy holidays and a good start into the year 2021.

TERMS AND CONDITIONS OF SALE

1. General. The following terms and conditions of sale ("T&C") shall be the only terms applicable to any contract for sale between the seller entity named on the respective purchase order or acknowledgment ("Seller") and Buyer. Any terms and conditions in any of Buyer's other documents that vary or are inconsistent with or add to these T&C are not acceptable and shall not be binding upon Seller without Seller's express written consent even though there may have been acknowledgment, if work has commenced or the items ordered have been shipped. The respective contract and these T&C may only be amended in writing by way of a document signed by both parties and they shall constitute the total agreement between the parties. All proposals, negotiations, representations, recommendations, statements or agreements made or entered into prior to or concurrent to the respective contract shall not be included or constitute part of the respective contract.

2. Acceptance and Price. Quotations are valid for thirty (30) days unless extended in writing by Seller. A contract shall only become effective upon Seller's order confirmation. Prices are Ex Works, as that term is defined in Incoterms 2010 and do not include packaging, sales tax, use, excise, VAT, GST, or other charges attributable to the sale. Total prices on invoices may differ slightly, as price records for electronic calculation may either be on a "list and discount" or on a net basis.

3. Shipment and Delivery. All shipments are Ex Works Seller's premises (plant, warehouse or other point of sale), unless otherwise agreed to in writing. Delivery dates are approximate, not guaranteed, and are always quoted on the basis that the products offered have not been otherwise sold before the receipt of Buyer's acceptance by Seller. Products are deemed delivered on the day the shipment is made available to the carrier ("Delivery Date"). Any risk of loss or damage passes onto Buyer therefrom. Any order request outside of normal lead times may be subject to expedite fee. Seller reserves the right to make partial deliveries, unless a customer specific agreement to the contrary is fixed in the contract.

4. Delayed Delivery. In the event of delayed delivery caused by Seller, negligently or willfully, Buyer shall be entitled for each complete week of delay to liquidated damages at a rate of 0.5% of the purchase price per week. In any event such liquidated damages shall not exceed an aggregate amount of 5% of the portion of the products which as a consequence of such delay cannot be commercially and effectively used. Such payment shall be in full satisfaction of any loss suffered by Buyer due to a delay and shall be in lieu of any other right Buyer may have against Seller arising out of or in connection with the delay in delivery.

5. Force Majeure. In case of force majeure or other circumstances beyond Seller's control, including, but not limited to, acts of government, natural disaster, war, civil or labor unrest, fires, floods, explosions, energy shortages, strikes or unavailability or reduced availability of supply at its usual source, Seller's obligations shall be extended for the duration of such circumstances. Seller agrees to inform Buyer within 48 hours about any such event that delays Seller's performance under the contract. If completion of the product, however, is prevented by such circumstances for more than six (6) months, Seller shall have the right to terminate the contract.

6. Cancellation and Revision. Unless otherwise agreed to in writing, no order which has been accepted by Seller may be cancelled, varied or suspended by Buyer, except on the terms that Buyer shall indemnify Seller in full against all losses (including loss of profit), costs (including the costs of all labor and material used and ordered before cancellation or variation), damages, charges and expenses borne by Seller as a result of the cancellation, variation or suspension. In addition to the losses evidenced by Seller, a handling fee of two per cent (2%) of the order value, at least 250 EUR, shall be immediately due by the Buyer for each cancellation or suspension of an order.

7. Retention of Title. Seller shall retain all rights and title to all products delivered until the effective receipt of payment in full of the agreed amount. With the conclusion of the contract, Buyer automatically authorizes Seller to have said retention of title entered pursuant to the laws of any of the countries concerned, in any public registers kept for this purpose by the competent authorities of the respective countries, and to complete all relating formalities. During the whole period of the retention of title, Buyer shall, at its own expense, maintain the products, take out all necessary insurance with a view to protecting them, for Seller's benefit, against theft, total loss, fire, water and other risks, and take all further measures in order to ensure that Seller's title is not prejudiced in any way whatsoever.

8. Intellectual Property. Seller shall defend and hold Buyer harmless against claims of infringement of intellectual property rights, including patents and trademarks of third parties, provided such claims are based exclusively on infringement by products designed and manufactured by Seller and not based on the use of the products in combination with products manufactured by others. Seller must be notified in writing and must be authorized to defend such claims or, alternatively, at its own discretion to obtain a license for Buyer or substitute a non-infringing equivalent product. In no event shall Seller's total liability to Buyer exceed the purchase price of the product. Buyer shall hold Seller harmless against claims of infringement of intellectual property rights, including patents and trademarks, relating to drawings, calculations, descriptions or instructions provided by Buyer.

9. Product Safety and Safety Devices. Products designed and manufactured by Seller are capable of being used in a safe manner, but Seller does not warrant their safety under all circumstances. Products are provided with only those safety devices identified in the respective product description (or manual). IT IS BUYER'S RESPONSIBILITY TO FURNISH THE APPROPRIATE GUARDS AND TO



INSTALL AND USE THE PRODUCTS IN A SAFE MANNER IN COMPLIANCE WITH INSTRUCTIONS OF USE, APPLICABLE HEALTH AND SAFETY REGULATIONS AND LAWS AND GENERAL STANDARDS OF REASONABLE CARE. IF BUYER FAILS TO DO SO, BUYER SHALL INDEMNIFY SELLER FROM ANY LOSS, COST, EXPENSE, ACTION OR CAUSE OF ACTION RESULTING FROM SUCH FAILURE.

10. Designs, Dimensions and Weights. Due to normal product changes, the designs, dimensions, materials, components and weights shown in printed and electronic catalogs are subject to variation. If complete accuracy and/or compliance is required for an application, Buyer must request additional information or certification from Seller who, in such case, shall be entitled to rescind the offer he has made to Buyer. In such event, neither Party shall have the right to claim for compensation of losses.

11. Manufacturing Devices and Technical Information. Unless otherwise expressly agreed to in writing by Seller, all manufacturing devices, design data and other technical information relating to an order shall remain Seller's property. Buyer's patterns/tooling in Seller's possession are held at Buyer's risk and not covered by Seller's insurance.

12. Warranty. Seller warrants that its products (i) conform to the agreed specifications, and (ii) are free from defects in material and workmanship for one year from the date of shipment. Should a warranted product fail to conform to these warranties within the warranty period, Buyer must promptly notify Seller in writing. Seller will, at its discretion and at no charge to the Buyer (i) repair the product; (ii) replace the product; or (iii) offer a full refund of that portion of the purchase price allocable to the non-conforming product. These remedies are the exclusive remedies for breach of warranty.

13. What Is Not Covered by this Warranty. No representative of Seller has authority to waive, alter, vary or add to the terms hereof without prior written approval of an officer of Seller. Seller does not warrant any defects in, damage to, or failure of products caused by: (i) normal wear and tear; (ii) failure to provide suitable installation environment; (iii) use for purposes other than those for which designed, or other inappropriate, improper or excessive use; (iv) unauthorized attachments, modifications or disassembly; (v) use outside the specified technical data and without regards to the instructions of use published by Seller; or (vi) damage during shipping or accidents. Buyer's care in selection, adequate testing at time of installation and proper installation, operation and maintenance of all products is required for adequate performance.

14. Disclaimer of Warranty. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, STATUTORY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE IN TORT OR CONTRACT OR UNDER ANY OTHER LEGAL OR EQUITABLE THEORY OF LAW FOR ANY INCIDENTAL SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES.

15. Allocation of Risks. This warranty allocates the risks of product failure between Seller and Buyer. This allocation is recognized by both parties and is reflected in the price of the products. Buyer acknowledges that it has read this Contract, understands it, and agrees to and is bound by its terms.

16. Limitations of Liability in General. Seller will only be liable for damages caused by intent, willful misconduct or gross negligence and also in those cases where applicable laws on product liability provide that in the event of personal injury or damage to goods used for private ends, liability is compulsory. Furthermore, Seller will be liable for guarantees, if any, given in writing to Buyer. This liability will, however, only apply to such damages the guarantee was intended to protect against. In case of slight negligence, Seller will be liable only for a breach of material contractual obligations by it, its legal representatives or its vicarious agents and provided such breach endangers the purpose of the respective contract. In this case, damages will be restricted on the merits and in terms of amount to those cases of damage that Seller was reasonably able to foresee at the time of the conclusion of this Agreement, based on the circumstances known to Seller at that date. The compensation of purely pecuniary damage, such as loss of production or loss of profit, will be limited by the general principles of good faith, for example in case of a disproportionate difference between the amount of the remuneration and the extent of the damage. Any compensation for consequential damages will be excluded and Seller will not be liable for default or breach of duty due to causes beyond Seller's reasonable control. For concurring claims and tort this clause shall apply accordingly. Any other liability shall be excluded. In the event any loss or damage is covered by insurance taken out by the Buyer, the Seller shall only be liable for any associated losses (e.g. increased insurance premiums or interest disadvantages until settlement of the claim. Liability for default shall exclusively be governed by clause 3, 4 and 5 of these T&C.

17. Terms of Payment. Terms of payment, unless agreed otherwise, are thirty (30) days net from the date of invoice without any deductions. Seller reserves the right to charge interest at the rate of 1.5% per month for default in payment. Costs of collection (including reasonable attorney's fees) must be borne by the Buyer. Seller reserves the right to withdraw from the contract immediately, if Buyer fails to fulfill any advanced payment agreed in the contract.

18. Compliance with Laws. Buyer agrees to comply with the export laws of the European Union, of the United States and of the country of Seller's legal venue (to the extent they apply and do not conflict with the EU or U.S. laws) with regard to the exportation of the products and any technical data associated therewith. Prior to any transfer of products provided by Seller to a third party, Buyer shall in particular check and guarantee by appropriate measures that (i) there will be no infringement of an embargo and/or sanction



imposed by the European Union, by the United States of America or by the country of Seller's legal venue by such transfer, by brokering of contracts concerning those products or by provision of other economic resources in connection with those products, also considering the limitations of domestic business and prohibition of by-passing those embargos and/or sanctions; (ii) such products are not intended for use in connection with armaments, nuclear technology or weapons; (iii) the regulations of all applicable Sanctioned Party Lists of the European Union, of the United States and of the country of Seller's legal venue concerning the trade with entities, persons organizations listed therein are considered. Buyer shall indemnify and hold harmless Seller from and against any claim, proceeding, action, fine, loss, cost and damages arising out or relating to any non-compliance with any export control regulations by Buyer, and Buyer shall compensate Seller for all losses and expenses resulting thereof, unless the fulfilment of this obligation is prevented by any impediments arising out of national or international foreign trade or customs requirements or any embargos or other sanctions.

19. Time for Commencing Suit. Any action for breach of any of the terms of this T&C must be commenced within six (6) months of the alleged breach.

20. Miscellaneous. Only Seller shall be entitled to cede, assign and transfer any or all of its rights and obligations in terms of this T&C to any of its affiliates. If individual provisions of this T&C or the contract should be or become invalid or impracticable in whole or in part, then the validity of the remaining provisions or the remaining parts of such provisions is unaffected thereby. The invalid or impracticable clause(s) shall be replaced by provisions the legal and commercial effects of which are as close as possible to what the consequences of the invalid and impracticable clause(s) had been had they been valid and practicable.

21. Applicable Law and Dispute Resolution. The contractual relationship between Seller and Buyer shall be exclusively governed by the laws of the legal venue of Seller with exclusion of its international conflict of laws provisions and with exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG). Any dispute arising from or in connection with the contractual relationship shall be referred to and settled by the courts having jurisdiction over the legal venue of Seller. Seller shall also be entitled to take legal action at the Buyer's legal venue or any other legally permissible place of jurisdiction.

22. DAMAGES STATEMENT: NOTWITHSTANDING ANY PROVISION OF THIS CONTRACT OR THE LAW, IT IS EXPRESSLY AGREED THAT SELLER'S TOTAL LIABILITY FOR ANY DAMAGES, COSTS OR EXPENSES ARISING OUT OF OR RELATED TO THIS CONTRACT OR ITS PRODUCTS OR SERVICES, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, TORT/EXTRACTIONAL LIABILITY (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE IS LIMITED TO THE AMOUNT THAT SHALL NOT EXCEED THE AMOUNT OF THE PURCHASE PRICE ACTUALLY PAID TO SELLER.

<p>Division: Electric</p> <p>Project Title: Bailey Unit No. 1 Rehabilitation</p> <p>Description: Bailey Generator No. 1 (BAG1) was built in the 1970s. During operation in October 2018, BAG1 suffered a main bearing failure, which caused extensive damage to the powertrain. This project will fund the rehabilitation of the turbocharger, fuel delivery system and engine components including injectors, main journals, crankshaft, connecting rods, pistons, bearings and related components. The estimate assumes onsite work. The project may require additional funding if overhaul or repair of major components is not feasible or possible.</p>	<p>Project Priority: 4</p> <p>Start Date: 01/19</p> <p>End Date: 12/21</p>	<p>Project Number:</p> <p>Estimated Project Cost:</p> <p>Design 325,000</p> <p>Land/Right-of-Way 540,835</p> <p>Construction Management 865,835</p> <p>Construction Equipment</p> <p>Other</p> <p>Project Total</p>																								
<p>Source of Funds</p> <p>Revenue Generating Fund</p> <p>Total</p>	<p>Prior Years</p> <p>15,835</p>	<p>Adopted 2021</p> <table border="1"> <thead> <tr> <th>Reappropriated</th> <th>New Funding</th> <th>Total</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>Total Project</th> </tr> </thead> <tbody> <tr> <td>834,165</td> <td>15,835</td> <td>850,000</td> <td></td> <td></td> <td></td> <td></td> <td>865,835</td> </tr> <tr> <td>834,165</td> <td>15,835</td> <td>850,000</td> <td></td> <td></td> <td></td> <td></td> <td>865,835</td> </tr> </tbody> </table>	Reappropriated	New Funding	Total	2022	2023	2024	2025	Total Project	834,165	15,835	850,000					865,835	834,165	15,835	850,000					865,835
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