

**NOME POWER GENERATION FACILITY REPLACEMENT PROJECT
PROGRESS REPORT**

GRANTEE: NOME JOINT UTILITY SYSTEM

PROJECT NAME: NOME POWER GENERATION FACILITY REPLACEMENT

GRANT #: AEA #2195210; DENALI COMMISSION

PERIOD OF REPORT: April 1, 2005 through June 30, 2005

Project Activities Completed:

Three bid packages were opened: Steel Building Supply & Erection, Concrete Forming & Installation, and Heating Ventilation and Air Conditioning (HVAC) systems. Some of the bids initially opened were “conditional”, not adhering to stated bid requirements, and costs were substantially above engineers’ estimates. With excessive cost overruns projected based on bids, the Utility determined to roll the project back up to a fully force account project as previously envisioned. It was noted there was a significant potential for construction claims using a “multiple prime contractor” scenario. The Utility Board determined benefit to the Utility by serving as its own general contractor giving more flexibility to make inevitable design changes without having to negotiate costly change orders.

A building package was procured with adequate lead time to make an August barge sailing from Seattle to Nome. A local construction contractor was hired to supervise forming and concrete pouring; forming of grade beams and generators pads is underway. Job shacks were rehabbed, wired and put on location. A local welding crew was certified and installed pile caps. Additional runs of underslab electrical conduit were installed.

The manufacturer completed assembly of Wärtsilä generators; Utility and engineering representatives witnessed operational tests at the Finland factory and accepted them for shipment.

Air handling units, indoor switchgear, and exterior steel for fuel storage and containment, exhaust systems, and silencer frames were ordered.

Existing or Potential Problems:

None related to grant administration.

Activities Targeted for Next Reporting Period:

- continue concrete forming and begin pouring, install building underslab plumbing runs
- arrange generator movement from Port to site, and their placement on generator pads
- make final determination on boiler requirements, black start emergency generator
- prepare for building package arrival and erection
- continue materials procurement; order transformers, finalize fire protection system, hire fire protection contractor and mechanical control systems contractor
- complete bond documents to provide additional community funds contribution
- continue dialogue with Denali Commission on allocation of additional funds previously authorized by Congressional action