



**CHANGE ORDER(s)**

**AND /OR**

**LETTER(s) OF EXTENSION**

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**CONTRACT CHANGE ORDER NO. 036  
DATED DECEMBER 2019**

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**FILED WITH CONTRACT #23336**

**(COVANTA ENERGY LLC)**

**OFFICE OF THE CITY MANAGER  
CITY OF LONG BEACH  
LONG BEACH, CA 90802**

Change Order No. 36  
Contract No. 23336  
Project: SERRF

Date: December, 2019  
Contractor: Covanta

This Change Order:  
\$2,250,071

Program No.: GOELAD  
Prior Change Orders: See Attachment 1.

**CALIFORNIA CAP AND TRADE ALLOWANCES PURCHASING  
SERVICES**

**BACKGROUND**

This Contract Change Order is issued in accordance with provisions set forth in the subject Contract with reference to the following facts:

1. California passed a Cap and Trade program (AB32) that includes SERRF.
2. The City anticipates needing to purchase allowances to cover its commitments under the Cap and Trade program.
3. The City would like Covanta to purchase allowances for SERRF as it performs similar services for its other assets for the compliance years of 2019, 2020, and 2021.

**SCOPE OF THE CHANGE ORDER**

The change order is intended to cover all the costs related to the purchase of allowances for SERRF for the 2019, 2020, and 2021 compliance periods. This work will include periodic review of the allowance obligation for SERRF, continued assistance to the City to understand the rules and regulations involved in this program, as well as the purchasing services to accumulate the requisite number of allowances for the compliance years outlined herein.

**COST OF CHANGE ORDER**

The Cost of the Change Order has been estimated based on modeling performed on the plant's emissions profile, and is subject to change depending on the biogenic fraction of waste processed at SERRF.

1. For 2019, the obligation is estimated at \$130,029.
2. For 2020, the obligation is estimated at \$776,716.
3. For 2021, the obligation is estimated at \$968,314.

Subtotal:	\$1,875,059
• Contingency – 10% of Subtotal:	\$187,506
• Covanta Project Support – 10% of Subtotal:	\$187,506
<b>Total Estimated Cost:</b>	<b><u>\$2,250,071</u></b>

**NO OTHER CHANGES**

1. Except as specifically enumerated above, all other terms and provisions of the subject contract shall remain unchanged. The execution and delivery of this Change Order by the Contractor and the City shall not in any manner prejudice the rights which the Owner, the City or the Contractor may have to pursue any other claims which such party may have against the other, other than those claims which are the subject of the Change Order

Charles R. Tripp 12/30/19  
 Charles R. Tripp Date  
 Electric Generation Bureau  
 Manager

Derek Veenhof 12/13/19  
 Derek Veenhof Date  
 Executive Vice President

Robert Dowell 1/2/20  
 Robert Dowell Date  
 Director Long Beach  
 Gas & Oil Department

Rebecca G. Garner 1/2/20  
 Tom Modica Date  
 Acting City Manager

**EXECUTED PURSUANT  
 TO SECTION 301 OF  
 THE CITY CHARTER**

Approved as to form this 26<sup>th</sup> day of December, 2019

Charles Parkin  
 City Attorney  
 By [Signature]  
 Deputy

- Distribution:  
 Original - City Clerk  
 City Auditor  
 City Attorney  
 Manager, Electric Generation Bureau  
 Financial Management, Accounting  
 Financial Management, Payments  
 General Manager, SERRF Authority  
 Plant Manager, Covanta Long Beach  
 Business manager Covanta Long Beach

## ATTACHMENT 1

**Prior Change Orders:**

1) Capital Improvement & Cement Transfer Screw Conveyor	\$500,000	Flyash Treatment Transfer Conveyor Installation.
2) Capital Improvement	\$ 86,000	Landscaping-Variou Areas Dust control
3) Capital Improvement	\$ 29,000	Landscaping-Cooling Tower Area Dust control
4) Capital Improvement	\$409,399	3 <sup>rd</sup> Pass Boiler Flyash Removal System
5) Pass-thru (spare parts)	\$108,816	Inventory Increase-Spare Motors
6) (a) Capital Improvement Construction	\$179,375	Refuse Driver's Restroom
(b) Base Operating Fee Maintenance of Refuse driver's	\$ 43,305	Annual Costs in June 1993 Dollars Restroom
7) (a) Capital Improvement	\$120,779	MACT Compliance
(b) Operations & Maint. Risk Assessment.	\$ 35,650	One time costs-Title V & Health
(c) Base Operating Fee	\$ 97,548	Additional Operations Costs (in 1993 dollars) Per Year
8) Capital Improvement	\$ 63,200	Underground Diesel Storage Tank Modification
9) Capital Improvement	\$264,833	MSW Drying Gas Burner Installation
10) Capital Improvement	\$261,708	Steam Blowing System and Service Platform Installation
11) (a) Capital Improvement	\$442,747	MSW Drying Gas Burners Installation
(b) Spare Parts	\$ 22,458	MSW Spare Parts for Gas Burners
12) Capital Improvement	\$303,480	Installation of NOx Reduction System with Minimal Ammonia Slip
13) Capital Improvement	\$104,500	Build and Maintain a Training Room

14) Capital Improvement	\$425,150	Install Photovoltaic System
15) Capital Improvement	\$ 28,875	Install Crane Deck Restroom
16) Capital Improvement	\$108,649	Upgrade COMS
17) Capital Improvement	\$190,596	Security Cameras
18) Capital Improvement	\$281,630	PV Demo Project Modification
19) Capital Improvement	\$255,596	Performance Improvement Work – Group 1 Design
20) Capital Improvement	\$153,891	Performance Improvement Work – Group 1 Implementation
21) Capital Improvement	\$556,292	Fueltech Demonstration Test – Urea System
22) Change of Law	\$ 47,225	AB 32 Implementation & Climate Exchange Registry
23) Change of Law	\$ 41,344	New SCAQMD CEMS for SERRF (NO2 Channel and NO2 Calibration)
24) Capital Improvement	\$190,250	Training Building Upgrade
25) Capital Improvement Change of Law	\$991,507	Reduction of Mercury Emission in Refuse-Burning Power Plant – (Carbon Injection System)
26) Capital Improvement	\$ 15,000	Engineering for a potential Ferrous and Non Ferrous Metal recovery System
27) Capital Improvement		\$ 58,436 Fire Protection Upgrades Required Due to New Fire Protection Codes on Elevator Refurbishing
28) Insurance by Contractor	\$1,372,525	Purchase of property insurance provided
29) Capital Improvement		\$ 550,000 Covers actual costs for the purchase of powder activated carbon, parts, and outside labor related expenses
30) Insurance by Contractor	\$1,296,900	Purchase of property insurance provided

31) CAISO (QF) Conversion	\$140,070	Install and prep for CAISO / QF
32) Bottom Ash		(Terminated)
33) Scheduling Coordinator	\$449,220	Covers Costs related to the scheduling coordinators requirements and associated service orders.
34) RA Capacity	\$1,000,000 – \$1,500,000	Estimated Revenue per year, 75% to the City and 25% to Covanta
35) RA Capacity Extension	\$0	Extension of authority to contract SERRF RA