

Vermont Gas Systems, Inc.

FY2022 Expense Projects & Capital Investments exceeding \$100K

Approval & Spec Sheet

Date:

12/4/2020

Project Name & Owner: Lake Street MLV Replacement - Christopher LeForce **Project & Work Order (project task) Number(s):** No Project created yet, will be under 3670

Submitted by & Department: Christopher LeForce - Department 3040 Transmission Maintenance

Project Summary & Benefit: Replacement of the 10" Main Line Valve at Lake Rd station MLV-50. This project is to replace the existing 55 year old gate valve at the Lake Road site in St. Albans with a new full open ball valve, 4" bypass pipe, and 4" blow down stacks.

Schedule/Timing of In-Service: Planning and Design - Oct./Nov. 2021, Order Materials & Fabrication - Dec. 2021-April 2022, Install June/July 2022, In service Aug./Sept. 2022.

What type of cost? Capital Expense

Other Notes (include business case and estimated useful life of capital purchase):

The original 10-inch mainline valves are seeing the end of their useful life and Operations would like to replace all of them in the next 5-7 years. One has been replaced at Carter Hill Road, one will be replaced at Beebe Road in 2021, and one will be removed from the system at Swanton Gate in 2021. The usefulness of the new mainline valve could be for the next 50 years, as long as they are maintained. The installation of a new mainline valve at the Lake Street station site will be helpful in running ILI tools in the existing 10-inch transmission line to better understand the condition of the 55+ year old pipeline. Prior ILIs in this area demonstrated that this was an area that will require new investments to allow the full suite of ILI tools to run through the pipeline in future inspections.

Assessment of Alternatives

The alternative would be keep the old valves in place and wait until they failed to replace them. The existing original mainline valves are seeing the end of their useful life and should proactively be replaced over the next 5-7 years.

BUDGET (add lines as needed)

Vendor	Product/Service	Type Of Known & Measurable Documentation Provided	Label on Documentation Found within Backup Folder	Capital Spend	FY2022 Expenses	Total
TriMont or similar	Engineering/Design	Previous quote for a similar project	TriMont Design Proposal - Beebe Rd MLV 2020 0930.pdf	\$12,500		\$12,500.00
Mulholland or similar	Construction	Previous quote for a similar project	Mulholland Welding & Fabrication RFP VGS2019-04.pdf	\$198,000		\$198,000.00
Mulholland or similar	Electrical	Previous quote for a similar project	Mulholland Welding & Fabrication RFP VGS2019-04.pdf	\$11,443		\$11,442.50
VHB or similar	Environmental	Previous quote for a similar project	VHB Proposal SBR_Launcher_CA Updated.pdf	\$7,000		\$7,000.00
Various Vendors	Materials	Cost data from a similar project	Lake Street MLV Budget 2020 1204.xlsx	\$111,189		\$111,189.27
JDH or similar	NDT	Cost data from a similar project	Lake Street MLV Budget 2020 1204.xlsx	\$29,564		\$29,563.50
JDH or similar	Inspection	Cost data from a similar project	Lake Street MLV Budget 2020 1204.xlsx	\$5,667		\$5,666.50
Internal Components of Budget (if applicable):						
VGS labor	Labor to build/install XXXXXX	Cost data from a similar project	Lake Street MLV Budget 2020 1204.xlsx	\$11,351		\$11,350.90
VGS Overhead	VGS Overhead - Benefits, TR, DO (61.0%)	Current rate		\$6,924		\$6,924.05
VGS - Administrative	VGS administrative overhead (36.79%)	Current rate		\$144,826		\$144,825.55
						\$0.00
PROJECT TOTALS				\$538,462	\$0	\$538,462
Contingency (20%)				\$107,692	\$0	\$107,692
PROJECT TOTAL, INCLUDING CONTINGENCY				\$646,155	\$0	\$646,155

Prior to Spend/Contract Commitment		
<i>All projects over \$100,000 must be presented and approved by the Project Steering Committee</i>		
Subsequent approval, if required based upon the criteria below:		
<i>If, the project RE-forecast is greater than 15% or \$25,000 (unless otherwise assigned) over the original budget and/or the schedule has shifted into a new fiscal year, the project must be presented to the VP, of that area for additional approval.</i>		
<i>If the re-forecast is greater than \$250,000 the project must be presented to the VP of Finance for additional approval</i>		
Threshold if otherwise assigned		
Updated Forecast Project Total:	\$646,155	Variance > \$25,000 0
Schedule:		Variance > 15% 0%
Vice President (as applicable)		
VP, Finance (as applicable)		