

COUNCIL ACTION FORM

SUBJECT: SPECIALIZED WET DRY VACUUM, HYDRO BLAST, AND RELATED CLEANING SERVICES FOR POWER PLANT

BACKGROUND:

The City of Ames Electric Utility has two coal-fired, high-pressure steam generation units within the City of Ames Power Plant. These units are referred to as Unit No. 7 and Unit No. 8. These units require regular professional maintenance and repair. This consists of emergency service, as well as regularly scheduled planned repairs and services during scheduled outages. The cleaning and special preparation of the boiler surfaces on these generation units requires professional tradecrafts and maintenance experts. Prior to repair and maintenance work being done, it is necessary to have the surfaces professionally cleaned using high-pressure water jets and vacuums. Units No. 7 and No. 8 operate under environmental conditions with high heat and high pressure, resulting in slag and other industrial debris coating the boiler and other plant equipment surfaces.

In order to clean the surfaces, outside contractors are used who can provide mobile high pressure generator trucks with hoses and lances to cut through and wash away the industrial debris coatings. These same firms have the industrial vacuum trucks that can accumulate and contain this industrial debris for proper disposal. The goal of this contract is to meet these requirements in the most economical manner.

On November 14, 2006, City Council awarded a contract to a service provider for specialized wet/dry vacuum, hydro blast, and related cleaning services to be furnished as requested through June 30, 2007. The contract contained two optional twelve-month renewal periods. It was the intent of the contract to identify qualified professional firms who could handle the needs of the Power Plant, respond to emergencies in a four-hour time frame, and deliver the services at the lowest possible cost to the City. One of the goals of a long-term contract was to reduce costs by securing rates for labor, travel, equipment, and materials. Another goal was to make optimal use of staff time in securing these services. The Electric Utility staff believes these goals have been achieved through this contract over the last three years.

Prior to November 14, 2006, the City's emergency repair procedure was to call in contractors to perform the needed cleaning services on any day at any hour. This often left the City exposed to market forces regarding prices and availability for labor, travel, and supplies. In preparation for a scheduled outage, Power Plant staff would seek quotes for these specific tasks. The extent of work required though was not known until the boiler was shut down and inspected. As a result, a great deal of time was expended

by staff to contract for these services.

The 2006 contract was awarded prior to the new Iowa Bid Law which became effective January 1, 2007, and requires that repair and maintenance of public improvements be bid according to those provisions. The proposed contract would meet the intent of that law while continuing procurement of these services through a contract which would remedy the problems associated with purchasing on an as-needed basis. It would establish rates for service and provide for guaranteed availability, thereby setting in place known rates for service and guaranteed availability and thereby controlling costs.

The approved 2009/10 operating budget for Electric Production includes \$48,000 for miscellaneous services to be performed under this contract.

ALTERNATIVES:

1. Approve preliminary plans and specifications for the specialized wet dry vacuum, hydro blast, and related cleaning services contract, and set May 27, 2009, as the bid due date and June 9, 2009, as the date of hearing and award of contract.
2. Delay contract award and purchase specialized wet/dry vacuum, hydro blast, and related cleaning services on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

This work is necessary to properly maintain the Power Plant equipment and to carry out emergency and scheduled repairs resulting from equipment failures. It is imperative that reliable contractors be available to perform these specialized cleaning services on very short notice in the event of an emergency repair. It is also important to control the costs of these services to the extent possible.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the preliminary plans and specifications for the specialized wet dry vacuum, hydro blast, and related cleaning services contract, and setting May 27, 2009, as the bid due date and June 9, 2009, as the date of public hearing.