

**COUNCIL ACTION FORM**

**SUBJECT: ASBESTOS MAINTENANCE SERVICES CONTRACT FOR POWER PLANT**

**BACKGROUND:**

This contract involves the removal and proper disposal of asbestos insulation at the City's Power Plant. The Power Plant consists of Units 5 and 6 (both retired) and operating units 7 and 8. The two retired units 5 and 6, operating unit 7, and combustion turbine GT1 are primarily insulated with asbestos type insulation. Unit 8 is considered "asbestos free" excluding some gasket material and steam pipe insulation around the turbine. In addition there is other equipment and piping located in the Power Plant that has been insulated with asbestos type insulation.

The Power Plant needs to establish a services contract with a firm that is able to provide routine and emergency asbestos remediation services. These services include but not limited to removal and disposal of asbestos containing insulation or remediation/encapsulation of areas when identified or an encapsulated surface is damaged.

This process reduces the City's exposure to market forces regarding prices and availability for labor, travel, and supplies for these services. Also, by having a contract in place City staff will save considerable time obtaining quotes, evaluating proposals and preparing specifications and other procurement documentation.

Funding in the amount of \$25,000 will be made available from savings in FY 2012/2013 Electric Production operating budget for Gas Turbine repairs. These funds will be transferred to the Electric Production operating budget for Building Maintenance.

**ALTERNATIVES:**

1. Approve preliminary plans and specifications for asbestos maintenance services contract, and set March 13, 2013, as the proposals due date and March 26, 2013, as the date of public hearing and award of contract.
2. Purchase asbestos maintenance services on an as-needed basis.

**MANAGER'S RECOMMENDED ACTION:**

2. Asbestos must be removed and disposed of per State and Federal regulations before retired equipment can be physically removed. Asbestos removal will be an on-going cost since most of the old equipment at the Power Plant was

insulated with asbestos. This contract would establish rates for service and provide for guaranteed availability, thereby setting in place known rates for service, thereby controlling costs. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No.1, thereby approving preliminary plans and specifications for asbestos maintenance services contract, and set March 13, 2013, as the proposals due date and March 26, 2013, as the date of public hearing and award of contract.