

COUNCIL ACTION FORM

SUBJECT: NON-ASBESTOS INSULATION AND RELATED SERVICES AND SUPPLY CONTRACT FOR POWER PLANT

BACKGROUND:

On November 25, 2014, City Council approved preliminary plans and specifications for a Non-Asbestos Insulation and Related Services and Supplies Contract. This contract involves the removal, repair, and reinstallation of non-asbestos insulation of all types used at the City's Power Plant.

This contract is to provide non-asbestos insulation services for the period from the award date through June 30, 2015. This will enable this and future renewals to coincide with the City's fiscal year. The contract includes a provision that would allow the City to renew the contract for up to four additional one-year terms.

Bid documents were issued to seventeen potential bidders. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published in the Ames Tribune. The bid was also sent to one plan room.

On November 12, 2014, two bids were received. Details of the bids are shown on the following table:

	Total Insulation Mechanical, Inc. Story City, IA			Mavo Systems, Inc. White Bear Lake, MN		
DESCRIPTION	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate	Hourly Rate (DT)
Supervisor:	\$70.00	\$105.00	\$140.00	Non-responsive. Did not supply rate sheet with bid submittal.		
Apprentice:	\$60.00	\$90.00	\$120.00			
Foreman:	\$70.00	\$105.00	\$140.00			
Journeyman:	\$70.00	\$105.00	\$140.00			
Subsistence:	0					
Travel:	0					
Mileage:	0					
Material Costs:	30%					
Proposed Price Increase for Renewal Periods:						
Labor Rates:	0% per year					
Travel & Subsistence:	0% per year					

As noted above, the bid submitted by Mavo Systems was non-responsive since they did not supply any pricing with their bid. Staff reviewed the remaining bid submitted by Total Insulation Mechanical, Inc., Story City, IA, and concluded that it was acceptable.

Having this contract reduces the City's exposure to market forces regarding prices and availability for labor, travel, and supplies in preparation for a scheduled outage. City

staff will save considerable time obtaining quotes, evaluating proposals, and preparing specifications and other procurement documentation.

The approved FY2014/15 Power Plant operating budget includes \$90,000 for these services. Invoices will be based on contract rates for time and materials for services that are actually received.

ALTERNATIVES:

1. Award the contract for the Non-Asbestos Insulation and Related Services and Supplies Contract to Total Insulation Mechanical, Inc., Story City, IA, for hourly rates and unit prices bid, in an amount not-to-exceed \$90,000.
2. Reject all bids and purchase non-asbestos insulation services on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

This contract is needed to carry out emergency and routine non-asbestos insulation services at the Power Plant. The contract will establish rates for service and provide for guaranteed availability, thereby setting in place known rates for service.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No.1 as stated above.