

**COUNCIL ACTION FORM**

**SUBJECT: BOILER TUBE SPRAY COATING AND RELATED SERVICES AND SUPPLY CONTRACT FOR POWER PLANT**

**BACKGROUND:**

On January 13, 2015, City Council approved preliminary plans and specifications for a Boiler Tube Spray Coating and Related Services and Supplies Contract. This contract is for a contractor to provide and install new boiler tube coating and surface preparation at the City's Power Plant on an as needed basis.

This contract is to provide boiler tube spray coating 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 five companies. 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 February 11, 2015, one bid was received. Details of the bid are shown in the following table:

<b>Integrated Global Services, Inc., Richmond, VA</b>			
<b>DESCRIPTION</b>	<b>Hourly Rate (ST)</b>	<b>Hourly Rate (OT)</b>	<b>Hourly Rate (DT)</b>
Supervisor:	\$65.00	\$97.50	\$130.00
Apprentice:	\$39.00	\$58.50	\$78.00
Foreman:	\$62.00	\$93.00	\$124.00
Journeyman:	N/A	N/A	N/A
Technician:	\$57.00	\$85.50	\$114.00
Safety	\$65.00	\$97.50	\$130.00
Project Manager	\$70.00	\$105.00	\$140.00
Subsistence:	\$100.00 per person per day		
Travel:	Cost Plus 15%		
Mileage:	Cost Plus 15%		
Material Costs:	See below		
<b>MISCELLANEOUS TOOLS AND EQUIPMENT RATES:</b>			
<b>DESCRIPTION</b>	<b>Rate per U/M</b>		
Large Air Compressor	\$795/day, \$2,200/wk, \$5,400/mo		
Sandblasting Rig	\$125/day, \$375/wk, \$940/mo		
Metal Spray Rig	\$300/day, \$900/wk, \$2,250/mo		
<b>Proposed Price Increase for Renewal Periods:</b>			
Labor Rates:	2.5% per year		
Travel & Subsistence:	2.5% per year		

Staff has reviewed the bid received by Integrated Global Services, Inc. and has concluded it is 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. Having this work under contract will save City staff considerable time obtaining quotes, evaluating proposals, and preparing specifications and other procurement documentation for outages.

Funding in the amount of \$250,000 is available from the approved FY2014/15 Power Plant operating budget, which includes \$860,000 for Units #7 and #8 Boiler Maintenance. Invoices will be based on contract rates for time and materials for services that are actually received.

**ALTERNATIVES:**

1. Award the contract for the Boiler Tube Spray Coating and Related Services and Supplies Contract to Integrated Global Services, Inc. Richmond, VA, for hourly rates and unit prices bid, in an amount not-to-exceed \$250,000.

This contract includes a provision that will allow the City to renew the contract for up to four additional one-year terms at stated rates.

2. Reject all bids and purchase boiler tube spray coating services on an as-needed basis.

**MANAGER'S RECOMMENDED ACTION:**

This contract is needed to carry out emergency and routine boiler tube spray coating services at the Power Plant to maintain protection to the tube replaced in 2013. Failure to maintain the costing will result in increased wear and early tube deterioration. The contract will establish rates for service and provide for guaranteed availability, thereby setting in place known rates for service. The rates included in this contract are comparable to the rates from our past provider.

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