

COUNCIL ACTION FORM

SUBJECT: SPECIALIZED HEAVY DUTY CLEANING SERVICES CONTRACT FOR POWER PLANT BOILERS

BACKGROUND

The City's Electric Utility has two gas-fired, high-pressure steam generation units at the Power Plant referred to as Units No. 7 and 8. These units require regular professional maintenance and repair. This consists of emergency service, as well as regularly scheduled planned repairs. The repair of the boilers on these generation units requires professional trade crafts such as boilermakers, steam/pipe fitters, and millwrights.

The boiler units operate under environmental conditions with high heat and high pressure. Due to the operational conditions and fuel burned, the internal surfaces of the boilers are often covered with hardened ash, molten glass, and other substances. Because of the conditions resulting from burning Refuse Derived Fuel (RDF), a reducing atmosphere exists in portions of the boiler and there are chlorides present from burning plastics. As a result, parts of the boiler units such as the superheat tubes and boiler wall tubes would eventually fail due to tube wasting.

When tube failures occur, the City contracts with private firms who have the expertise to perform the emergency repairs needed to bring the unit back into operation. Prior to the professional crafts entering the boilers to carry out inspections and repairs, the surfaces must be cleaned of ash coating and debris. This "heavier duty" cleaning process requires high-pressure water washing, grit blasting, or use of explosives to loosen and remove the materials. After loosening or breaking up these substances, they are removed from the boiler using the sluice system or by large industrial vacuums.

On June 9, 2015, City Council awarded a contract for these services to Bodine Services of Clinton LLC. That contract included four optional twelve-month renewal periods.

The following two change orders were made to this contract for additional cleaning services needed in anticipation of the conversion of the boiler from coal to natural gas:

Change Order No. 1 – \$34,999.

Change Order No. 2 – \$287,480.

The net contract amount including these change orders is \$497,479. The actual amount spent on this contract was \$336,485.07, which is less than the total contract amount due to the time and material charges associated with the change orders being less than anticipated.

All of the requirements of the contract have been met by Bodine Services of Clinton LLC, and the Power Plant Engineer has provided a certificate of completion.

Electric Services staff recommends that the existing contract not be renewed because the services performed under this contract are no longer required due to the Power Plant converting its main fuel from coal to natural gas. The natural gas is a much cleaner fuel, and it is anticipated that heavy duty cleaning within the boilers and the electrostatic precipitator will no longer be needed.

ALTERNATIVES:

- 1) Accept completion of the contract with Bodine Services of Clinton LLC, Clinton, IA, for the FY2015/16 Specialized Heavy Duty Cleaning Services Contract for Power Plant Boilers at a total cost of \$336,485.07.
- 2) Delay acceptance of this contract.

MANAGER'S RECOMMENDED ACTION:

The contractor for the Specialized Heavy Duty Cleaning Services Contract for Power Plant Boilers has completed all of the work for the FY 2015/16 period.

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