

**COUNCIL ACTION FORM**

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

**BACKGROUND:**

On November 22, 2016, City Council approved preliminary plans and specifications for a Boiler Maintenance Services Contract for Power Plant. This contract consists of a variety of boiler and pressure vessel maintenance, including structural steel and pressure vessel repair. This consists of emergency service, as well as regularly planned repairs and services during scheduled outages.

**This contract is to provide boiler maintenance services for the period following final City Council approval of contract and performance bond through June 30, 2017.** 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 twenty-seven companies and four plan rooms. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published on the websites of a contractor plan room service with statewide circulation and the Iowa League of Cities.

**On December 21, 2016, bids were received from six companies as shown on Attachment A: Bid Summary on the attached report.** Upon the initial evaluation, staff determined that the bids submitted from The Jamar Company and L & M Ethanol Maintenance Contracting Inc (L & M) were both non-responsive. The Jamar Company's bid was non-responsive because they did not sign their bid which is a mandatory requirement. L & M's bid was non-responsive because they did not submit references with their bid which prevented staff from having the ability to fully evaluate the bid to determine if L & M is capable of performing the required services successfully.

Attachment B shows a cost evaluation based on a sampling of personnel and associated travel/subsistence that the Power Plant requires for successful fulfillment for a typical work scenario performed on this service contract over a five day period.

**Staff reviewed the remaining four bids and concluded, based on the time and material rates submitted, that the apparent low bid submitted by TEI Construction Services, Inc., Duncan, SC, in the not-to-exceed amount of \$200,000 is acceptable.**

As there are provisions that would allow the City to renew the contract up to four additional one-year terms, staff did consider future year cost increases. Unfortunately, it

was not possible to get an accurate comparison because some of the bidders claimed that future labor rates were subject to future union negotiations. Staff will know the new labor rates prior to renewing the contract each year. If the labor rates seem out of line, staff will not recommend renewal and instead will re-bid for the services.

The approved FY2016/17 Power Plant operating budget for Electric Production includes \$200,000 for this contract. Invoices will be based on contract rates for time and materials for services actually received.

**ALTERNATIVES:**

1. Award a contract for the FY 2016/17 Boiler Maintenance Services Contract to TEI Construction Services, Inc., Duncan, SC, for hourly rates and unit prices bid, in an amount not-to-exceed \$200,000.

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

2. Award a contract for the FY 2016/17 Boiler Maintenance Services Contract to one of the other qualified bidders.
3. Reject all bids and direct staff to continue to utilize the Power Plant Maintenance Services Contract to meet the Power Plant's boiler maintenance needs.

**MANAGER'S RECOMMENDED ACTION:**

This work is necessary to ensure that a qualified professional firm will respond to both scheduled and emergency needs for boiler repair and maintenance, and will also control costs by having established billing rates. Funds will be expended only as work is required and in accordance with approved invoices.

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



### 2017-073 BOILER MAINTENANCE SERVICES BID SUMMARY

LABOR:		TEI Construction Services, Inc. Duncan, SC			Capital City Boiler & Machine Works, Inc. Des Moines, IA			Pilibrico Company, LLC, Omaha, NE			PIC Group, Inc. Atlanta, GA			The Jamar Company Green Bay, WI			L & M Ethanol Maintenance Contracting Inc. Fort Dodge, IA			
BOILERMAKER		Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	
Day	Journeyman	\$53.39	\$77.77		\$75.00	\$100.00	\$125.00	\$83.48	\$122.10	\$161.08	\$57.00	\$77.41	\$98.72	Non-responsive: Did not sign Bid Form			Non-responsive: Did not submit references with their bid.			
	Foreman	\$57.69	\$84.23		\$85.00	\$110.00	\$135.00	\$87.68	\$128.25	\$169.18	\$58.78	\$79.68	\$101.80							
	General Foreman	\$71.22	\$102.06		\$85.00	\$110.00	\$135.00	\$90.48	\$132.35	\$174.58	\$63.54	\$89.30	\$109.84							
	Superintendent	\$84.13	\$121.42		\$85.00	\$110.00	\$135.00	\$97.48	\$142.60	\$188.08	\$73.42	\$101.27	\$126.04							
	Journeyman	\$53.39	\$77.77		\$80.00	\$105.00	\$130.00	\$84.20	\$122.86	\$161.84	\$57.00	\$77.41	\$98.72							
Night	Foreman	\$57.69	\$84.23		\$90.00	\$115.00	\$140.00	\$88.43	\$129.04	\$169.97	\$58.78	\$79.68	\$101.80							
	General Foreman	\$71.22	\$102.06		\$90.00	\$115.00	\$140.00	\$91.25	\$133.16	\$175.39	\$63.54	\$89.30	\$109.84							
	Superintendent	\$84.13	\$121.42		\$90.00	\$115.00	\$140.00	\$98.30	\$143.46	\$188.94	\$73.42	\$101.27	\$126.04							
	Journeyman	\$53.39	\$77.77		\$70.00	\$95.00	\$120.00	\$42.61	\$66.95	\$71.28	\$31.04	\$43.61	\$55.99							
	Foreman	\$57.69	\$84.23		\$70.00	\$95.00	\$120.00	\$44.06	\$69.05	\$74.04	\$44.53	\$60.36	\$77.12							
LABORER	General Foreman				\$70.00	\$100.00	\$130.00	\$46.23	\$62.21	\$78.18	\$45.15	\$61.72	\$78.77							
	Superintendent				\$70.00	\$100.00	\$130.00			\$73.42	\$101.27	\$126.04								
	Journeyman	\$34.74	\$49.80		\$75.00	\$100.00	\$130.00	\$44.06	\$69.05	\$74.04	\$44.53	\$60.36	\$77.12							
	Foreman				\$85.00	\$110.00	\$135.00	\$46.23	\$62.21	\$78.18	\$45.15	\$61.72	\$78.77							
	Superintendent				\$85.00	\$110.00	\$135.00			\$73.42	\$101.27	\$126.04								
MILLWRIGHT	Journeyman	\$53.39	\$77.77		\$100.00	\$125.00	\$140.00	\$57.21	\$75.02	\$93.53	\$42.20	\$60.77	\$77.91							
	Foreman	\$57.69	\$84.23		\$115.00	\$130.00	\$145.00	\$58.64	\$77.11	\$96.27	\$53.57	\$77.14	\$98.89							
	General Foreman	\$71.22	\$102.06		\$115.00	\$130.00	\$145.00	\$61.50	\$81.28	\$101.75	\$62.50	\$83.13	\$106.57							
	Superintendent	\$84.13	\$121.42		\$115.00	\$130.00	\$145.00	\$62.93	\$83.36	\$104.49	\$73.42	\$101.27	\$126.04							
	Journeyman	\$53.39	\$77.77		\$105.00	\$130.00	\$145.00	\$57.21	\$75.02	\$93.53	\$42.20	\$60.77	\$77.91							
Night	Foreman	\$57.69	\$84.23		\$120.00	\$135.00	\$150.00	\$58.64	\$77.11	\$96.27	\$53.57	\$77.14	\$98.89							
	General Foreman	\$71.22	\$102.06		\$120.00	\$135.00	\$150.00	\$61.50	\$81.28	\$101.75	\$62.50	\$83.13	\$106.57							
	Superintendent	\$84.13	\$121.42		\$120.00	\$135.00	\$150.00	\$62.93	\$83.36	\$104.49	\$73.42	\$101.27	\$126.04							
	Journeyman	\$53.39	\$77.77		\$75.00	\$100.00	\$125.00	\$69.11	\$88.25	\$127.38	\$57.00	\$77.41	\$98.72							
	Foreman	\$57.69	\$84.23		\$75.00	\$100.00	\$125.00	\$69.11	\$88.25	\$127.38	\$57.00	\$77.41	\$98.72							
STEAMFITTER	General Foreman	\$71.22	\$102.06		\$85.00	\$110.00	\$135.00	\$79.07	\$112.80	\$146.51	\$63.54	\$89.30	\$109.84							
	Superintendent	\$84.13	\$121.42		\$85.00	\$110.00	\$135.00			\$73.42	\$101.27	\$126.04								
	Journeyman	\$53.39	\$77.77		\$80.00	\$105.00	\$130.00	\$93.85	\$134.40	\$174.93	\$57.00	\$77.41	\$98.72							
	Foreman	\$57.69	\$84.23		\$90.00	\$115.00	\$140.00	\$105.21	\$151.00	\$196.77	\$58.78	\$79.68	\$101.80							
	General Foreman	\$71.22	\$102.06		\$90.00	\$115.00	\$140.00	\$108.76	\$156.18	\$203.60	\$63.54	\$89.30	\$109.84							
TRAVEL & SUBSISTENCE	Superintendent	\$84.13	\$121.42		\$90.00	\$115.00	\$140.00			\$73.42	\$101.27	\$126.04								
	<b>TRAVEL &amp; SUBSISTENCE</b>																			
	Description		Rate			Rate			Rate			Rate								
	Supervisors		\$155.00 per day (Supervisors & GF)			\$80.00 per day			\$125.00 per day			\$130.00 per day								
	Craft		\$145.00 per day (all others but laborer does not get any)			\$80.00 per day			\$75.00 per day			\$120.00 per day								
<b>Travel &amp; Mileage</b>																				
Supervisor travel					\$85.00 per hour			Journeyman ST rate			ST rate per hr max 12 hrs									
Supervisor mileage		\$ .56 per mile for 1 round trip each job, from home to Ames			\$1.00 per mile			\$ .75 per mile			\$.54 per mile									
Craft travel					\$65.00 per hour			Only if applicable at craft journeyman rate			ST rate per hr max 12 hrs									
Craft mileage		\$ .56 per mile for 1 round trip each job, from home to Ames (laborers do not receive any)			\$1.00 per mile			Boilermakers do not receive travel or mileage unless hauling tools or equipment. All other crafts, if local (within 50 miles) do not receive travel or mileage.			\$.54 per mile									
<b>Deliveries</b>																				
Travel		Charged at rental rates plus actual gas receipts			\$65.00 per hour			\$42.61 per hour												
Mileage		\$1.50 per mile for 1 round trip per job			\$1.00 per mile			\$1.00 per mile												
<b>MISC.</b>																				
Description		Rate			Rate			Rate			Rate									
Safety supplies & equipment		Cost + 15% (normal PPE covered in labor rates above)			Cost + 30%			Cost + 10%			Cost + 12%									
Miscellaneous materials & consumables		Cost + 15% (small tools and consumables covered in labor rates above)			Cost + 12%			Cost + 10%			Cost + 12%									
<b>Proposed price increases for renewal periods</b>																				
Labor		Listed rates are valid through 12/31/17						Boilermaker Contract 1/1/17			Inflation 1/1/18									
Travel & Subsistence		3% per calendar year starting 1/1/18			5% per year			3% per year			3% per year									
Equipment & Tools		3% per calendar year starting 1/1/18			2% per year			0% per year			NA									

**Example Work Scenario for Boiler Maintenance Services:**

Description	TEI Construction Services, Inc.	Capital City Boiler & Machine Works,	Pilibrico Company, LLC,	PIC Group, Inc.
Labor:	\$11,586.92	\$16,890	\$17,241.20	\$11,528.22
Subsistence:	\$2,225.00	\$1,600.00	\$1,375.00	\$2,450.00
Travel:	\$0.00	\$372.40	\$444.95	\$2,445.84
Mileage:	\$772.80	\$279.20	\$255.00	\$3,970.08
<b>Total:</b>	<b>\$14,584.72</b>	<b>\$19,141.60</b>	<b>\$19,316.15</b>	<b>\$20,394.14</b>

The scenario was based on 10 hour days starting on a Tuesday and going through Saturday. One foreman, two certified welders, and one laborer.