

**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT MAINTENANCE SERVICES CONTRACT**

**BACKGROUND:**

On July 31, 2018, City Council approved preliminary plans and specifications for the Power Plant Maintenance Services Contract. The Electric Utility has two gas-fired, high-pressure steam generation units within the City's Power Plant, referred to as Units No. 7 and 8. These units require regular professional maintenance and repair. This consists of both emergency and planned repairs and service. Services include a large variety of boiler maintenance and repairs, structural steel, pump and piping work, and other miscellaneous mechanical Power Plant work.

The repair of the equipment on these generation units requires professional trade crafts such as laborers, millwrights, and steam/pipe fitters.

**This contract is to provide power plant maintenance services for the period following final City Council approval of contract and performance bond through June 30, 2019.** This strategy will enable 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 thirty companies and three 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 August 29, 2018, bids were received from four companies as shown on the attached bid summary.**

The second attachment 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 ten-day period.

**Staff reviewed the 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 \$90,000 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 FY2018/19 Power Plant operating budget for Electric Production includes \$90,000 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 2018/19 Power Plant Maintenance Services Contract to TEI Construction Services, Inc., Duncan, SC, for hourly rates and unit prices bid, in an amount not-to-exceed \$90,000.

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 to one of the other bidders.
3. Reject all bids and direct staff to purchase these services on an as-needed basis.

**MANAGER'S RECOMMENDED ACTION:**

This work is necessary to ensure that a qualified professional firm will respond to both scheduled and emergency needs for Power Plant 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.



## 2019-007 Power Plant Maintenance Services Contract Bid Summary

LABOR:		TEI Construction Services, Inc. Duncan, SC			Plibrico Company, LLC, Omaha, NE			Capital City Boiler & Machine Works, Inc Des Moines, IA			The Waldinger Corporation Des Moines, IA		
LABORER		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	\$34.74	\$49.80	NA	\$44.08	\$58.48	\$72.88	\$60.00	\$90.00	\$110.00	\$40.70	\$56.98	\$73.26
	Foreman	NA	NA	NA	\$45.53	\$60.58	\$75.64	\$65.00	\$92.50	\$112.50	\$92.25	\$120.91	\$149.57
	General	NA	NA	NA	\$47.70	\$63.74	\$79.78	\$70.00	\$105.00	\$135.00	\$95.72	\$125.71	\$155.70
	Superintendent	NA	NA	NA	NA	NA	NA	\$75.00	\$107.50	\$137.50	\$95.72	\$125.71	\$155.70
Night	Journeyman	\$34.74	\$49.80	NA	\$44.08	\$58.48	\$72.88	\$61.00	\$91.00	\$111.00	\$44.77	\$62.68	\$80.59
	Foreman	NA	NA	NA	\$45.53	\$60.58	\$75.64	\$66.00	\$93.00	\$123.00	\$101.47	\$133.00	\$164.62
	General	NA	NA	NA	\$47.70	\$63.74	\$79.78	\$71.00	\$106.00	\$136.00	\$105.29	\$138.28	\$171.27
	Superintendent	NA	NA	NA	NA	NA	NA	\$76.00	\$108.50	\$138.50	\$105.29	\$138.28	\$171.27
<b>NOTE:</b>													
MILLWRIGHT		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	NA	\$60.90	\$80.22	\$99.54	\$70.00	\$105.00	\$135.00	\$77.89	\$103.80	\$129.90
	Foreman	\$59.12	\$86.38	NA	\$62.33	\$82.30	\$102.28	\$75.00	\$107.50	\$137.50	\$90.76	\$116.89	\$143.05
	General	\$74.09	\$106.36	NA	\$65.19	\$86.47	\$107.76	\$76.00	\$108.50	\$138.50	\$95.96	\$122.14	\$148.33
	Superintendent	\$87.00	\$125.73	NA	\$66.62	\$88.56	\$110.50	\$77.00	\$109.50	\$139.50	\$99.96	\$126.14	\$152.33
Night	Journeyman	\$53.39	\$77.77	NA	\$60.90	\$80.22	\$99.54	\$71.00	\$106.00	\$136.00	\$85.46	\$114.18	\$142.89
	Foreman	\$59.12	\$86.38	NA	\$62.33	\$82.30	\$102.28	\$76.00	\$108.50	\$138.50	\$99.84	\$128.57	\$157.35
	General	\$74.09	\$106.36	NA	\$65.19	\$86.47	\$107.76	\$77.00	\$109.50	\$139.50	\$105.55	\$134.35	\$163.16
	Superintendent	\$87.00	\$125.73	NA	\$66.62	\$88.56	\$110.50	\$78.00	\$110.50	\$140.50	\$109.55	\$138.35	\$167.16
<b>NOTE:</b>													
STEAMFITTER		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	NA	\$72.74	\$103.44	\$134.14	\$70.00	\$105.00	\$135.00	\$77.87	\$104.41	\$130.95
	Foreman	\$59.12	\$86.38	NA	\$80.55	\$114.86	\$149.15	\$75.00	\$107.50	\$137.50	\$92.25	\$120.91	\$149.57
	General	\$74.09	\$106.36	NA	\$83.15	\$118.65	\$154.15	\$76.00	\$108.50	\$138.50	\$95.72	\$125.71	\$155.70
	Superintendent	\$87.00	\$125.73	NA				\$77.00	\$109.50	\$139.50	\$99.72	\$129.71	\$159.70
Night	Journeyman	\$53.39	\$77.77	NA	\$80.55	\$114.86	\$149.15	\$71.00	\$106.00	\$136.00	\$85.65	\$114.85	\$144.04
	Foreman	\$59.12	\$86.38	NA	\$89.52	\$127.97	\$166.40	\$76.00	\$108.50	\$138.50	\$101.47	\$133.00	\$164.62
	General	\$74.09	\$106.36	NA	\$92.51	\$132.33	\$172.14	\$77.00	\$109.50	\$139.50	\$105.29	\$138.28	\$171.27
	Superintendent	\$87.00	\$125.73	NA	NA	NA	NA	\$78.00	\$110.50	\$140.50	\$109.29	\$142.28	\$175.27
<b>NOTE:</b>													
PIPEFITTER		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	NA	\$72.74	\$103.44	\$134.14	\$70.00	\$105.00	\$135.00	\$77.87	\$104.41	\$130.95
	Foreman	\$59.12	\$86.38	NA	\$80.55	\$114.86	\$149.15	\$75.00	\$107.50	\$137.50	\$92.25	\$120.91	\$149.57
	General	\$74.09	\$106.36	NA	\$83.15	\$118.65	\$154.15	\$76.00	\$108.50	\$138.50	\$95.72	\$125.71	\$155.70
	Superintendent	\$87.00	\$125.73	NA				\$77.00	\$109.50	\$139.50	\$99.72	\$129.71	\$159.70
Night	Journeyman	\$53.39	\$77.77	NA	\$80.55	\$114.86	\$149.15	\$71.00	\$106.00	\$136.00	\$85.65	\$114.85	\$144.04
	Foreman	\$59.12	\$86.38	NA	\$89.52	\$127.97	\$166.40	\$76.00	\$108.50	\$138.50	\$101.47	\$133.00	\$164.62
	General	\$74.09	\$106.36	NA	\$92.51	\$132.33	\$172.14	\$77.00	\$109.50	\$139.50	\$105.29	\$138.28	\$171.27
	Superintendent	\$87.00	\$125.73	NA	NA	NA	NA	\$78.00	\$109.50	\$140.50	\$109.29	\$142.28	\$175.27
<b>NOTE:</b>													
TRAVEL & SUBSISTENCE													
Description	Rate			Rate			Rate			Rate			
Supervisors	\$155.00			\$150.00			\$85.00			\$125.00			
Craft	\$125.00			\$125.00			\$85.00			\$75.00			
Travel & Mileage													
Supervisor travel	NA			JOURNEYMAN ST RATE			\$77.00			\$0.59			
Supervisor mileage	\$0.50 per mile			\$0.75 per mile			\$1.00 per mile			\$0.59 per mile			
Craft travel	NA			ONLY IF APPLICABLE AT CRAFT JOURNEYMAN RATE			\$65.00			NA			
Craft mileage	\$0.50 per mile			\$1.00 per mile			NA			\$0.59 per mile			
Deliveries													
Travel	RENTAL RATE + GAS RECEIPT			JOURNEYMAN ST RATE			\$65.00			NA			
Mileage	\$1.50			\$1.00 per mile			\$1.00			\$0.59			
MISC.													
Description	Rate			Rate			Rate			Rate			
Safety supplies &	COST + 15%			COST + 10%			COST + 5%			COST + 5%			
Miscellaneous materials & consumables	COST + 15%			COST + 10%			COST + 12%			COST + 5%			
Labor	NA			3% RENEWAL PER YEAR			5% RENEWAL PER YEAR			3% RENEWAL PER YEAR			
Travel & Subsistence	3% RENEWAL PER YEAR			0% RENEWAL PER YEAR			0% RENEWAL PER YEAR			3% RENEWAL PER YEAR			
Equipment & Tools	3% RENEWAL PER YEAR			0% RENEWAL PER YEAR			0% RENEWAL PER YEAR			3% RENEWAL PER YEAR			

**Contracts with crafts valid until May 31, 2019.**



**Example Work Scenario for Power Plant Maintenance Services**

<b>Description</b>	<b>TEI Construction Services, Inc. Duncan, SC</b>	<b>Capital City Boiler &amp; Machine Works, Inc. Des Moines, IA</b>	<b>Plibrico Company, LLC, Omaha, NE</b>	<b>The Waldinger Corporation Des Moines, IA</b>
Labor:	\$11,671.44	\$16,135.00	\$15,487.48	\$16,198.86
Subsistence:	\$1,620.00	\$1,360.00	\$2,100.00	\$1,400.00
Travel:	\$0.00	\$302.80	\$1,638.11	\$185.96
Mileage:	\$820.00	\$72.60	\$255.00	\$185.96
<b>Total:</b>	<b>\$14,111.44</b>	<b>\$17,870.40</b>	<b>\$19,480.59</b>	<b>\$17,970.78</b>

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