

COUNCIL ACTION FORM

**SUBJECT: POWER PLANT BOILER MAINTENANCE SERVICES CONTRACT
AWARD OF CONTRACT**

BACKGROUND:

On April 23, 2019, City Council approved preliminary plans and specifications for the Power Plant Boiler Maintenance Services Contract. This contract consists of a variety of boiler and pressure vessel maintenance, including structural steel and pressure vessel repair. The contractor provides emergency service, as well as regularly planned repairs and services during scheduled outages.

The repair of the equipment on these generation units requires professional trade crafts such as boilermakers, laborers, and millwrights. Both of the Power Plant's boilers (Unit 7 and Unit 8) have experienced excessive corrosion in the superheater sections. The corrosion has caused the tubes to thin, resulting in many forced outages.

The FY 2018/19 contractor struggled to provide needed labor for short-term repairs and maintenance work under the current contract. This situation was reported to Council on April 16, 2019, and an emergency change order authorization to hire an alternative vendor to perform repairs was approved. The use of that alternative contractor has been required until new bids could be obtained and a contract in place.

In FY 2019/20, major repair projects are planned for both boilers, installing coated tubes that will be able to withstand the corrosion. Until these repairs are complete, it is of critical importance to have a contract in place that allows for a qualified contractor to be ready to respond to emergency outages.

This bid is for these repair and maintenance services from approval of contract through the end of FY 2019/20. The bid documents include the option of up to four one-year renewals. Any renewal would require approval by City Council.

Bidding documents were provided to ten potential bidders and five plan rooms. An additional 26 contractors were directly notified of the bid opportunity. 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 May 21, 2019, three bids were received as shown on the attached bid report. These bids were reported to City Council on May 28, 2019. Award of contract was delayed in order to allow sufficient time for evaluation in order to recommend an award that best meets the City's needs.

Electric Services Department staff has completed evaluation of the three bids. The bids include costs for a variety of tradeworkers to conduct work. Therefore, the bids are evaluated using a scenario for five-day period of work, including all the incidental charges associated with each vendor (e.g., mileage, subsistence, etc.). This model scenario has been used for boiler maintenance services contracts for many years (example work scenario included in the attachment). For this bid, the scenario results in the following ranking of the three bidders:

Bidder	Rank
Capital City Boiler and Machine Works, Inc.	1
Plibrico Company, LLC	2
The Jamar Company	3

In the evaluation, staff determined that the experience of the low bidder, Capital City Boiler and Machine Works, is mostly for low pressure boilers around 100-150 psi, much smaller and lower risk than the Power Plant's large, super-heated boilers that provide pressures greater than 1,250 psi. The bid specification asked for references of similar maintenance repair and rebuild work performed over the past three years. Including low pressure boiler references, this company also listed the City of Ames as a reference. The last work at the Power Plant by this company, however, was 23 years ago. There were no other references with equipment similar to that at the City Power Plant. The experience information indicates the company primarily performed pad weld with very minimal tube replacement work.

This lack of experience with the types of boilers and the pressures the power plant operates at are concerning for plant staff to the point that staff can not recommend the selection of the apparent low bidder. Staff is recommending awarding the contract to the second low bidder, Plibrico.

Invoices will be based on contract rates for time and materials for services actually received and accepted by the City. The FY 2019/20 budget includes \$250,000 for these services. The bidding documents call for a contract to be awarded in an amount not to exceed that amount.

ALTERNATIVES:

1. Award a contract to Plibrico Company LLC, Omaha, NE, for the Power Plant Boiler Maintenance Services Contract for unit prices bid in a total amount not to exceed \$250,000.
2. Award the contract to apparent low bidder.
3. Award the contract to the other bidder.
4. Reject all bids and send out another request for bid

CITY MANAGER'S RECOMMENDED ACTION:

It is important to have a highly skilled company to perform maintenance services on the City's power plant boilers. These boilers operate at high temperatures and under high pressures. Work may be scheduled or required under short notice conditions. Having a contract in place allows for quick response time at a predetermined cost.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.

Attachment 1

BID NO. 2019-123: BOILER MAINTENANCE SERVICES BID SUMMARY

BID ITEM		Capital City Boiler & Machine Works, Inc. Des Moines, IA			Plibrico Company, LLC Omaha, NE			The Jamar Company Duluth, NN 55807		
		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)
LABOR: BOILERMAKER										
Day Shift	Journeyman	\$ 70.00	\$ 105.00	\$ 135.00	\$ 87.07	\$ 129.78	\$ 185.77	\$ 96.89	\$ 113.11	\$ 179.36
	Foreman	\$ 75.00	\$ 107.50	\$ 137.50	\$ 91.27	\$ 135.94	\$ 193.90	\$ 101.58	\$ 144.78	\$ 187.99
	General Foreman	\$ 76.00	\$ 108.50	\$ 138.50	\$ 94.05	\$ 140.03	\$ 199.29	\$ 104.72	\$ 149.23	\$ 193.75
	Superintendent	\$ 77.00	\$ 109.50	\$ 139.50	\$ 101.07	\$ 150.33	\$ 212.87	\$ 111.00	\$ 158.12	\$ 205.25
Night Shift	Journeyman	\$ 71.00	\$ 105.00	\$ 136.00	\$ 87.42	\$ 130.15	\$ 186.16	\$ 100.02	\$ 142.55	\$ 185.11
	Foreman	\$ 76.00	\$ 107.50	\$ 138.50	\$ 91.62	\$ 136.31	\$ 194.29	\$ 104.72	\$ 149.23	\$ 193.75
	General Foreman	\$ 77.00	\$ 108.50	\$ 139.50	\$ 94.42	\$ 140.42	\$ 199.71	\$ 107.86	\$ 153.68	\$ 199.49
	Superintendent	\$ 78.00	\$ 109.50	\$ 140.50	\$ 101.42	\$ 150.70	\$ 213.26	\$ 114.13	\$ 162.56	\$ 211.01
LABOR: 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)
Day Shift	Journeyman	\$ 65.00	\$ 90.00	\$ 110.00	See breakout of laborers below			\$ 58.76	\$ 77.49	\$ 96.20
	Foreman	\$ 65.00	\$ 92.50	\$ 112.50				\$ 60.32	\$ 79.70	\$ 99.07
	General Foreman	\$ 70.00	\$ 105.00	\$ 135.00				n/a	n/a	n/a
	Superintendent	\$ 75.00	\$ 107.50	\$ 137.50				n/a	n/a	n/a
Night Shift	Journeyman	\$ 65.00	\$ 91.00	\$ 111.00				\$ 61.87	\$ 81.91	\$ 101.94
	Foreman	\$ 66.00	\$ 93.00	\$ 123.00				\$ 63.42	\$ 84.10	\$ 104.79
	General Foreman	\$ 71.00	\$ 106.00	\$ 136.00				n/a	n/a	n/a
	Superintendent	\$ 76.00	\$ 108.50	\$ 138.50				n/a	n/a	n/a
LABOR: 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)
Day Shift	Journeyman	\$ 70.00	\$ 105.00	\$ 135.00	\$ 63.48	\$ 83.30	\$ 103.12	n/a	n/a	n/a
	Foreman	\$ 75.00	\$ 107.50	\$ 137.50	\$ 64.91	\$ 85.38	\$ 105.86	n/a	n/a	n/a

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LABOR: MILLWRIGHT										
Day Shift	General Foreman	\$ 76.00	\$ 108.50	\$ 138.50	\$ 67.77	\$ 89.55	\$ 111.34	n/a	n/a	n/a
	Superintendent	\$ 77.00	\$ 109.50	\$ 139.50	\$ 69.20	\$ 91.64	\$ 114.08	n/a	n/a	n/a
Night Shift	Journeyman	\$ 71.00	\$ 105.00	\$ 136.00	\$ 63.48	\$ 83.30	\$ 103.12	n/a	n/a	n/a
	Foreman	\$ 76.00	\$ 107.50	\$ 138.50	\$ 64.91	\$ 85.38	\$ 105.86	n/a	n/a	n/a
	General Foreman	\$ 77.00	\$ 108.50	\$ 139.50	\$ 67.77	\$ 89.55	\$ 111.34	n/a	n/a	n/a
	Superintendent	\$ 78.00	\$ 109.50	\$ 140.50	\$ 69.20	\$ 91.64	\$ 114.08	n/a	n/a	n/a
LABOR: STEAMFITTER										
Day Shift	Journeyman	\$ 70.00	\$ 105.00	\$ 135.00	\$ 74.49	\$ 105.91	\$ 137.30	n/a	n/a	n/a
	Foreman	\$ 75.00	\$ 107.50	\$ 137.50	\$ 82.50	\$ 117.61	\$ 152.70	n/a	n/a	n/a
	General Foreman	\$ 76.00	\$ 108.50	\$ 138.50	\$ 85.17	\$ 121.51	\$ 157.83	n/a	n/a	n/a
	Superintendent	\$ 77.00	\$ 109.50	\$ 139.50				n/a	n/a	n/a
Night Shift	Journeyman	\$ 71.00	\$ 105.00	\$ 136.00	\$ 82.49	\$ 117.59	\$ 152.67	n/a	n/a	n/a
	Foreman	\$ 76.00	\$ 107.50	\$ 138.50	\$ 91.70	\$ 131.06	\$ 170.39	n/a	n/a	n/a
	General Foreman	\$ 77.00	\$ 108.50	\$ 139.50	\$ 94.78	\$ 135.56	\$ 176.32	n/a	n/a	n/a
	Superintendent	\$ 78.00	\$ 109.50	\$ 140.50	not shown	not shown	not shown	n/a	n/a	n/a
Labor in Addition to Items on Bid Form:										
Labor Bricklayers/Refractory Masons										
Day/ Night Shift	Journeyman				\$ 62.02	\$ 81.29	\$ 100.55			
	Foreman + 2 men				\$ 66.37	\$ 87.60	\$ 108.83			
	Foreman + 3 men				\$ 67.10	\$ 88.65	\$ 110.21			
	General Foreman				\$ 81.60	\$ 109.70	\$ 137.81			
Labor Bricklayers/Refractory Masons										
Day/ Night Shift	Journeyman				\$ 44.51	\$ 59.11	\$ 73.71			
	Foreman				\$ 45.96	\$ 61.22	\$ 76.47			
	General Foreman				\$ 46.69	\$ 62.27	\$ 77.85			

BID ITEM	Capital City Boiler & Machine Works, Inc. Des Moines, IA	Plibrico Company, LLC Omaha, NE	The Jamar Company Duluth, NN 55807
TRAVEL & SUBSISTENCE			
Description	Rate	Rate	Rate
Subsistence:			
Supervisors	\$85.00 per day	\$125 per day	\$125.00 per day
Craft	\$85.00 per day	\$75 per day	\$125.00 per day
Description	Rate	Rate	Rate
Travel & Mileage:			
Supervisor travel	\$77.00 per	per Journeyman straight time rate	\$111.00 per straight time hour
Supervisor mileage	\$1.00 per	\$.75 per mile	n/a
Craft travel	\$65.00	only if applicable at craft; journeyman rate	\$96.89 per straight time hour
Craft mileage		Boilermakers do not receive travel or mileage unless they are hauling tools or equipment to be used for maintenance contract services. All other crafts, if local (within 50 miles) do not receive travel or mileage. No craft receives mileage unless requested to haul tools or equipment in their person vehicle to be used for maintenace contract services.	n/a
Description	Rate	Rate	Rate
Deliveries:			
Travel	\$65.00 per	Laborer journeyman rate	Cost plus 10%
Mileage	\$1.00 per	\$1.00 per mile	n/a

BID ITEM Description	Capital City Boiler & Machine Works, Inc. Des Moines, IA	Plibrico Company, LLC Omaha, NE	The Jamar Company Duluth, NN 55807
	Rate	Rate	Rate
MISC.			
Safety supplies & equipment	Cost plus 5%	Equipment rented Cost plus 10%	n/a included in rates
Miscellaneous materials & consumables	Cost plus 12%	Cost plus 10%; materials in stock at warehouse prices	Cost plus 5%. Small tools and consumables included in rates.
Equipment & Tools	Bid Form shows equipment and tools	Tools and equipment lists submitted including tools & equipment list no charge to COA	Equipment billed in accordance with Jamar's Equipment Rental Program dated 06/01/18, D level
Safety Equipment	Bid Form shows safety equipment	Bid Form shows safety equipment	Safety equipment billed in accordance with Jamar's Equipment Rental Program dated 06/01/18, D level
PROPOSED PRICE INCREASES FOR RENEWAL PERIODS			
Labor	Factor: Labor effective year	Boilermaker contract 01/01/2020 All other crafts 06/01/2020	Boilermaker rates 01/01/19 to 12/31/19; Laborer rates 12/01/18 to 11/30/19
Travel & Subsistence	5% per year	0% per year	0% per year
Equipment & Tools	nothing shown	0% per year	0% per year
OTHER			
Location & response time	Des Moines; on call 24 hrs; on job 4-6 hrs.	Office in Omaha. NDE subcontractor if required. Emergency response 2-3 hours. Non-emergency response time is 4-6 hours	Process and response shown on BidForm
Proposed Subcontractors & scope of work	Form submitted, but subcontractor information not shown	DBI, Inc. NDE subcontractor if required; Crane Rental and Rigging if required; cornerstone Insulation and Lagging if required; Hartford Steam Boiler, Authorized Inspector if required	Gagnon - Insulation/Scaffold Service; Platinum - Scaffold Service

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RESPONSIVENESS:			
Bid Signed	Yes	yes	yes
Bid Security	5% bid bond	5% bid bond	5% bid bond
Proposed Subcontractors/Suppliers list	Form submitted	Form submitted	yes; both completed & signed by proposed subcontractor
Bidder Certification Regarding Sales Tax	yes	yes	yes
Bidder Status Form	no	yes	yes
Qualifications	see letter	references	Statement of Qualifications submitted; also letters of recommendation
References	COA	yes	yes
Response time	shown on bid form	shown on bid form	shown on Bid Form
Material rate sheet	Equipment & tools list on Bid Form	tool rental sheet	Staff rate sheet shows trucks & drivers; salaried personnel; custom fabrication rate
Exceptions	none shown	none shown	none shown

Example Work Scenario for Boiler Maintenance Services

Description	Capital City Boiler & Machine Works, Inc.	Plibrico Company, LLC	The Jamar Company
Labor:	\$16,295.00	\$19,059.98	\$19,067.52
Subsistence:	\$2,040.00	\$2,100.00	\$3,000.00
Travel:	\$272.00	\$870.70	\$2,209.19
Mileage:	\$70.00	\$255.00	\$132.00
Total:	\$18,677.00	\$22,285.68	\$24,408.71

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