



MEMO

Item No. 16

To: Mayor and Members of the City Council

From: City Clerk's Office

Date: January 12, 2021

**Subject: Approving New Performance Bond and Returning Original Bond
Pertaining to Maintenance Services Contract for the Power Plant**

On August 18, 2020, City Council awarded a contract to Anderson Process & Instrumentation Solutions, LLC, of Marshalltown, Iowa, in an amount not to exceed \$125,000 for hourly rates and unit prices bid. The Performance Bond in the amount of \$125,000 was filed with the City Clerk's Office and approved by Council on August 25, 2020.

Subsequently, Change Order No. 1 was approved on December 8, 2020, in the amount of \$443,889.50, which necessitated an updated Performance Bond. API Solutions was not able to get an updated bond from its original bonding company; therefore, purchased a new bond for the total amount of the contract and the Change Order from a different bonding company. The replacement bond includes the original contract amount of \$125,000 and Change Order No. 1 amount of \$443,889.50 for a total of \$568,889.50, as required by State Code and City Purchasing Policy.

The action being requested of the City Council is to approve the new bond in the combined total of the contract and the Change Order from the different bonding company and to authorize the City Clerk to return the original bond in the amount of \$125,000.

KS/drv