

**COUNCIL ACTION FORM**

**SUBJECT: BOILER TUBE SPRAY COATING AND RELATED SERVICES AND SUPPLY CONTRACT FOR POWER PLANT – CONTRACT RENEWAL**

**BACKGROUND:**

This contract is for a contractor to provide and install new boiler tube coating and surface preparation at the City's Power Plant on an as needed basis.

On May 12, 2020, City Council awarded a contract for Boiler Tube Spray Coating and Related Services and Supply Contract for the Power Plant to Whertec, Inc. of Jacksonville, FL. for a period through June 30, 2020. This contract, which has the option for the City to renew in one-year increments for up to three additional one-year terms, was renewed for July 1, 2020 through June 30, 2021. **The period from July 1, 2021 through June 30, 2022, is the second of the three renewal periods subject to Council approval of funding for the boiler tube coating and surface preparation.**

The contract's rate provision increases of 1% per year for labor and no increases for travel & subsistence. The rates for FY 2021/22 are shown on Attachment 1.

The benefits of having a contract for these services in place include the following:

- 1) Consistency of work and quality from a single contractor.
- 2) Reduction in the City's exposure to market forces regarding prices and availability for labor, travel, and supplies in preparation for a scheduled outage.
- 3) Saved City staff time obtaining quotes, evaluating bids and preparing specifications and other procurement documentation.

The approved FY 2021/22 Power Plant operating budget includes \$360,000 for these services. Invoices will be based on contract rates for time and materials for services that are actually received.

**ALTERNATIVES:**

1. a. Approve contract renewal with Whertec, Inc., Jacksonville, FL, for the Boiler Tube Spray Coating and Related Services and Supplies Contract for the one-year period from July 1, 2021 through June 30, 2022, in an amount not-to-exceed \$360,000.
- b. Approve the performance bond in the amount of \$360,000.
2. Reject the renewal option and instruct staff to seek new competitive bids.

**CITY MANAGER'S RECOMMENDED ACTION:**

This contract is needed to carry out emergency and routine boiler tube spray coating services at the Power Plant to maintain protection to the tubes replaced in 2013. Failure to maintain the coating will result in increased wear and early tube deterioration. 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 as stated above.



**ITB 2020-105 Boiler Tube  
Spray Coating and Related  
Services and Supply Contract  
Bid Summary**

**Whertec, Inc.  
Jacksonville, FL**

<b>DESCRIPTION</b>	<b>Hourly Rate (ST)</b>	<b>Hourly Rate (OT)</b>	<b>Hourly Rate (DT)</b>
Supervisor:	\$75.00	\$105.00	\$131.00
Apprentice:			
Foreman:	\$61.00	\$85.00	\$107.00
Journeyman:			
Technician:	\$51.00	\$71.00	\$89.00
Safety Supervisor	\$75.00	\$105.00	\$131.00
Quality Assurance Supervisor	\$75.00	\$105.00	\$131.00
Subsistence:	see attached T & M rate sheets		
Travel:	see attached T & M rate sheets		
Mileage:	see attached T & M rate sheets		
<b>MISCELLANEOUS TOOLS AND EQUIPMENT RATES:</b>			
<b>DESCRIPTION</b>	<b>Rate per U/M</b>		
Large Air Compressor	see attached T & M rate sheets		
Sandblasting Rig	see attached T & M rate sheets		
Metal Spray Rig	see attached T & M rate sheets		
<b>Proposed Price Increase for Renewal Periods:</b>			
Labor Rates:	1% per year		
Travel & Subsistence:	0% per year		



**ITB 2020-105 Boiler Tube  
Spray Coating and Related  
Services and Supply Contract**

**Whertec, Inc.**

<b>DESCRIPTION</b>	<b>Hourly Rate (ST)</b>	<b>Hourly Rate (OT)</b>	<b>Hourly Rate (DT)</b>
Supervisor:	\$75.75	\$106.05	\$132.31
Apprentice:			
Foreman:	\$61.61	\$85.85	\$108.07
Journeyman:			
Technician:	\$51.51	\$71.71	\$89.89
Safety Supervisor	\$75.75	\$106.05	\$132.31
Quality Assurance Supervisor	\$75.75	\$106.05	\$132.31
Subsistence:	see attached T & M rate sheets		
Travel:	see attached T & M rate sheets		
Mileage:	see attached T & M rate sheets		
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