

COUNCIL ACTION FORM

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

BACKGROUND:

On June 14, 2022, City Council approved preliminary plans and specifications for the Boiler Tube Spray Coating and Related Services and Supplies Contract. This contract is for a contractor to install new boiler tube coating and surface preparation at the City's Power Plant on an as needed basis.

This contract is to provide boiler tube spray coating services for the period from the award date through June 30, 2023. 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 three additional one-year terms.

Bid documents were issued to nine companies and sent to four plan rooms. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice published on the websites of a contractor plan room service with statewide circulation and the Iowa League of Cities.

On July 13, 2022, one bid was received. Staff reviewed the bids and determined that the contract would be awarded to Integrated Global Services, Inc., Richmond, VA (IGS). To put this bid price in perspective, the last time staff went out for bid for these services was in 2020. The winning bidder, Whertec, has recently gone out of business; which generated the need to go out for this bid. When comparing the 2020 prices for service to the IGS bid, the hourly labor rate have increased an average of 25% over two years.

Having this contract reduces the City's exposure to market forces regarding prices and availability for labor, travel, and supplies in preparation for a scheduled outage. Having this work under contract will save City staff considerable time obtaining quotes, evaluating proposals, and preparing specifications and other procurement documentation for outages.

Funding in the amount of \$435,000 is available from the approved FY 2022/23 Power Plant operating budget. Invoices will be based on contract rates for time and materials for services that are actually received.

ALTERNATIVES:

1. Award the contract for the Boiler Tube Spray Coating and Related Services and Supplies Contract to Integrated Global Services, Inc., Richmond, VA, for hourly rates and unit prices bid, in an amount not-to-exceed \$435,000 for FY22/23.

This contract includes a provision that will allow the City to renew the contract for up to three additional one-year terms at stated rates.

2. Reject all bids and purchase boiler tube spray coating services on an as-needed basis.

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 tube replaced in 2013. Failure to maintain the costing will result in increased wear and early tube deterioration. The contract will establish rates for service and provide for guaranteed availability, thereby setting in place known rates for service. The rates included in this contract are comparable to the rates from our past provider.

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