

**COUNCIL ACTION FORM**

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

**BACKGROUND:**

On June 14, 2022, 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.

This bid is for these repair and maintenance services from the date of contract approval through June 30, 2023. 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 thirty-two potential bidders 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 July 13, 2022, four bids were received as shown on the attached bid report. Electric Services staff has completed evaluation of the four bids. The bids include costs for a variety of trade workers to conduct work. **Therefore, the bids are evaluated using a scenario for a six-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 four bidders:

<b>Bidder</b>	<b>Rank</b>
TEI Construction Services, Inc.	1
Capital City Boiler and Machine Works, Inc.	2
Helfrich Brothers Boiler Works, Inc.	3
Ragan Mechanical, Inc.	4

In the evaluation, staff determined that TEI Construction Services, Inc. provided a responsive bid and is the lowest cost for the City.

Invoices will be based on contract rates for time and materials for services actually

received and accepted by the City. The FY 2022/23 budget includes \$325,000 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 TEI Construction Services, Inc., Duncan, SC, for the Power Plant Boiler Maintenance Services Contract for unit prices bid in a total amount not to exceed \$325,000.
2. Award the contract to another bidder.
3. 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.

### Example Work Scenario for Boiler Maintenance Services

Description	Ragan Mechanical	Capital City Boiler & Machine Works, Inc.	TEiC Construction Services	Helfrich Brothers Boiler & Machine
Labor:	\$34,197.20	\$32,640.00	\$23,322.80	\$20,413.04
Subsistence:	\$2,400.00	\$2,040.00	\$2,970.00	\$3,000.00
Travel:	\$1,191.60	\$400.00	\$2,188.72	\$1,962.80
Mileage:	\$215.63	\$70.00	\$5,085.00	\$10,000.00
<b>Total:</b>	<b>\$38,004.43</b>	<b>\$35,150.00</b>	<b>\$33,566.52</b>	<b>\$35,375.84</b>

The scenario was based on 12 hour days starting on a Monday and going through Saturday. One foreman and three certified welders.