

ITEM #: 15  
DATE: 02-28-23  
DEPT: ELEC.

## COUNCIL ACTION FORM

**SUBJECT: NON-ASBESTOS INSULATION AND RELATED SERVICES AND SUPPLY CONTRACT FOR POWER PLANT - CHANGE ORDER #1**

### **BACKGROUND:**

On June 14, 2022, the City Council approved a contract with HTH Companies, Inc. for the non-asbestos insulation and related services and supplies. This was the third optional renewal of the contract. The contract involves the removal, repair, and reinstallation of non-asbestos insulation at the Power Plant. It also includes installation of new insulation systems on pipes, ducts, equipment, vessels, boilers, and accessories throughout the Power Plant; repair and replacement of lagging systems; repair and replacement of jacketing systems and installation of new jacketing systems; fire-stopping insulation; and sound attenuation insulation.

**It is important to note that the contract amount is not for a specific project, but rather the staff's best estimate of the amount of work that might be performed in a given year. Work is charged to the City based on the actual time and materials used for specific tasks as directed by Power Plant staff.**

Many insulated pipes in the older portion of the power plant contain asbestos insulation, and it has been a priority to continually remove the asbestos and replace it with non-asbestos insulation. Normal practice is to remove asbestos from one pipe at a time. This has provided for the continual normal operation of units without much disruption.

**A point has been reached where most of the remaining asbestos material on Unit 7 is within a part of the plant where several pipes run through the same area, and it would be best to remove all the asbestos in the area at one time instead of independently removing asbestos from each pipe.** This will be a much larger removal and re-insulation project compared to normal practice. Completing this project at one time not only the most economical approach, but it will also reduce Unit 7's unavailability window.

### **THIS ACTION**

**The action being requested is to approve Change Order No. 1 to the Non-asbestos Insulation and Related Services and Supply Contract.** This change order will add an additional \$95,000 to the current contract for FY 2022/23 for additional material and labor. This will bring the total contract to an amount not to exceed \$245,000.

Funding for this change order will come from the building maintenance account where there is \$150,000 budgeted.

Actual payments are calculated on unit prices and work performed, limited by the available budget amount. **The Council should understand the additional funds authorized in this change order will only be spent on actual time and material used to perform the work.**

**ALTERNATIVES:**

1. Approve Change Order No. 1 to HTH Companies, Inc. in the amount of \$95,000 for additional non-asbestos insulation and related services, increasing the total contract to an amount not to exceed \$245,000. All labor and materials will be performed and invoiced on a time and material basis according to rates, terms, stipulations, and conditions specified in the original contract.
2. Do not approve the requested change order.

**CITY MANAGER'S RECOMMENDED ACTION:**

Because of the safety risk of hot piping and equipment and the inefficiencies that come from energy loss due to poor or no insulation, it is important to keep non-asbestos insulation maintenance on-going. This change order will allow for the most cost effective removal and replacement of a larger area of asbestos insulation that would be difficult to replace in a phased process. All labor and materials will be performed and invoiced on a time and material basis according to rates, terms, stipulations, and conditions specified in the original contract.

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