

ITEM # 25  
DATE: June 10, 2008

### COUNCIL ACTION FORM

**SUBJECT: RENEWAL OF CONTRACT FOR SPECIALIZED WET DRY VACUUM, HYDRO BLAST, AND RELATED CLEANING SERVICES FOR CITY OF AMES POWER PLANT**

**BACKGROUND:**

The City of Ames Electric Utility has two coal-fired, high-pressure steam generation units within the City of Ames Power Plant. These units are referred to as Unit No. 7 and Unit No. 8. These units require regular professional maintenance and repair. This consists of emergency service as well as planned repairs and services during scheduled outages. The cleaning and special preparation of the boiler surfaces on these generation units requires professional tradecrafts and maintenance experts. Prior to repair and maintenance work being done, it is necessary to have the surfaces professionally cleaned using high-pressure water jets and vacuums. Units No. 7 and No. 8 operate under environmental conditions with high heat and high pressure, resulting in slag and other industrial debris coating the boiler and other plant equipment surfaces.

In order to clean the surfaces, outside contractors are used who can provide mobile high pressure generator trucks with hoses and lances to cut through and wash away the industrial debris coatings. These same firms have the industrial vacuum trucks that can accumulate and contain this industrial debris for proper disposal. The goal of this contract is to meet these requirements in the most economical manner.

The City's procedure for emergency cleaning services in the past was to call contractors to perform the needed service on any day at any hour. This often left the City exposed to market forces regarding prices and availability for labor, travel, and supplies. In preparation for a scheduled outage, Power Plant staff would seek quotes for these specific tasks. However, the extent of work required is not known until the boiler is shut down and the equipment is inspected. The former process required staff to expend a great deal of time contracting for these services. It is the view of the Power Plant Superintendent that this contract has been a remedy for these problems, setting in place known rates for service and guaranteed availability, thereby controlling costs.

On December 19, 2006, City Council approved a contract to Hydro-Klean, Inc., Des Moines, Iowa, for specialized wet/dry vacuum, hydro blast, and related cleaning services to be furnished as requested through June 30, 2007, with two optional twelve-month renewal periods. It was the intent of the Power Plant staff to find qualified professional firms who could handle the needs of the Plant; respond to emergencies in a four-hour time frame; and deliver the services at the lowest possible cost to the City. One goal of a long-term contract was to reduce costs by securing rates for labor, travel, equipment, and materials. Another goal was to make optimal use of staff time in

securing these services. The Power Plant Manager believes the goals are being met.

The approved FY 2008/2009 operating budget for Electric Production includes up to \$55,000.00 for miscellaneous services to be performed under this contract. The labor rate under the renewal term is a 3% increase over the current labor rate. The contract includes the option to renew in one-year terms. If City Council approves, this would be the final renewal year of the contract.

**ALTERNATIVES:**

1. Renew the contract for specialized boiler cleaning services to Hydro-Klean, Inc., Des Moines, IA, in an amount not to exceed \$55,000. Services would be provided through June 30, 2009, as requested by Electric Services.
2. Do not renew the contract and purchase specialized wet/dry vacuum, hydro blast, and related cleaning services on an as-needed basis.

**MANAGER'S RECOMMENDED ACTION:**

This work is necessary to properly maintain the power plant equipment and to carryout emergency and scheduled repairs resulting from equipment failures.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, renewing the contract for specialized boiler and equipment cleaning services to Hydro-Klean, Inc., Des Moines, IA, in an amount not to exceed \$55,000.00.