

**COUNCIL ACTION FORM**

**SUBJECT: AWARD OF VALVE MAINTENANCE SERVICE CONTRACT FOR POWER PLANT BOILERS**

**BACKGROUND:**

The City of Ames Electric Utility has two coal-fired boiler, high-pressure steam, generation units within the City of Ames Power Plant, 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 regularly scheduled planned repairs and services during scheduled outages. The repair of the boilers on these generation units requires professional trade crafts such as boilermakers; steam/pipe fitters; and millwrights, to list a few.

Because of the need to regulate steam and water involved in the power production process, numerous valves are used to operate the Power Plant. These include isolation, control, check, relief and safety valves, which must be professionally repaired, tested, installed, replaced and maintained. Specially trained personnel perform this work. This contract is to provide valve maintenance, testing, repair, replacement, and related services and supplies for the Power Plant boilers for the period of July 1, 2009, through June 30, 2010. The contract includes a provision that would allow the City to renew the contract for up to five additional one-year terms.

On May 27, 2009, bids were received from two firms as shown on Attachment A. Attachment B shows a cost evaluation based on a sampling of personnel and equipment the Power Plant requires for successful fulfillment of this service contract. Because travel related cost components vary between the bids, an additional evaluation was performed to provide a more realistic overall cost including the travel and per-diem cost components. This additional evaluation was accomplished by inserting bidders' prices for resources required on typical service scenarios performed at the Power Plant. Attachment C contains this cost evaluation in a multiple scenario format. The scenario formats are: two trips of one day durations, two trips of five day durations, and one trip of three day duration.

Based on the summation of all of the typical services, the bid submitted by Ferguson Process Services, Cannon Falls, MN, is the lowest cost.

The approved FY 2009/2010 operating budget for Electric Production includes \$115,000 for miscellaneous services to be performed under this contract. Payments would be calculated on unit prices bid for actual work performed.

**ALTERNATIVES:**

1. Award a contract for the FY2009-2010 valve maintenance, testing, repair, replacement, and related services & supplies, to Ferguson Process Services, Cannon Falls, MN, for hourly rates and unit prices bid, in an amount not to exceed \$115,000. The contract includes a provision that would allow the City to renew the contract for up to five additional one-year terms.
2. Award a contract for the FY2009-2010 valve maintenance, testing, repair, replacement, and related services & supplies, to Pioneer Industrial Corporation, St. Louis, Mo., for hourly rates and unit prices bid, in an amount not to exceed \$115,000. The contract includes a provision that would allow the City to renew the contract for up to five additional one-year terms.
3. Reject all bids and purchase valve repair and maintenance services on an as-needed basis.

**MANAGER'S RECOMMENDED ACTION:**

This work is necessary to properly maintain the steam turbine generators and to carry out emergency and scheduled repairs resulting from equipment failures. It has proven cost-effective for the Utility to have a company under contract to provide these valve-related services in case of an emergency repair or scheduled maintenance event. It has saved staff time, reduced down time and allowed for predictability in terms of quality of work.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, awarding a contract for the FY2009-2010 valve maintenance, testing, repair, replacement, and related services & supplies, to Ferguson Process Services, Cannon Falls, MN, for hourly rates and unit prices bid, in an amount not to exceed \$115,000. The contract includes a provision that would allow the City to renew the contract for up to five additional one-year terms.

2009-167 Bid Tabulation	Ferguson Process Services, Cannon Falls, MN			Pioneer Industrial Corporation, St. Louis, MO		
	HOURLY RATE			HOURLY RATE		
	STRAIGHT TIME	OVERTIME	SUNDAYS/HOLIDAYS	STRAIGHT TIME	OVERTIME	SUNDAYS/HOLIDAYS
Foreman				\$55.00	\$82.50	\$110.00
Journeyman				\$50.00	\$75.00	\$100.00
Valve Technician	\$58.00	\$75.00	\$80.00			
<b>SUBSISTENCE</b>	Rate/Bid Amount			Rate/Bid Amount		
Foreman	\$			\$ 110.00 per day		
Journeyman	\$			\$ 110.00 per day		
<b>Travel and Mileage</b>						
Foreman travel	\$	per		\$51.50	per hour	
Foreman mileage	\$	per		\$	per	
Journeyman travel	\$	per		\$46.50	per hour	
Journeyman mileage	\$	per		\$	per	
<b>OTHER CHARGES</b>	Rate/Bid Amount			Rate/Bid Amount		
Valve Technician	\$40.00/hr standard, \$57.00 Overtime, \$77.00/hr Sunday/Holiday					
\$ .80 per mile, \$1.25 per mile with Field service Unit						
<b>EQUIPMENT DESCRIPTION</b>	<b>Per Day</b>	<b>Per Week</b>		<b>Per Day</b>	<b>Per Week</b>	
Mobile shop trailer	\$100.00			\$750.00	\$2,500.00	
Packing extractor				\$475.00	\$2,375.00	
Truck	\$40.00			\$40.00	\$160.00	
Hydro set testing service	\$200.00			\$100.00	\$400.00	
Electronic valve tester	\$300.00			\$150.00	\$600.00	
Gate valve machine	\$350.00					
Reseating machine	\$275.00			\$250.00	\$1,000.00	
Valve bore honing tool	\$100.00			\$50.00	\$200.00	
Gate valve machine (1 1/2" to 14" valve size)				\$175.00	\$700.00	
Gate valve machine (8" to 30 valve size)				\$250.00	\$1,000.00	
<b>MATERIAL COST</b>	<b>Cost plus</b>			<b>Cost plus</b>		
	20%			15%		
<b>OTHER CHARGES DESCRIPTION</b>	Rate/Bid Amount			Rate/Bid Amount		
				Shop truck mileage		
				\$ .80/mi		
				Mobile shop trailer mileage		
				\$3.00/mi		
<b>PROPOSED PRICE INCREASES FOR RENEWAL PERIODS (IF APPLICABLE):</b>	<b>Percent</b>	<b>per Unit</b>		<b>Percent</b>	<b>per Unit</b>	
Labor Rates	3%	Year		2%	Year	
Travel & Subsistence	3%	Year		2%	Year	
Equip. & Tools	0%	Year		1%	Year	

Labor	Eval Qty	Ferguson Process Services, Cannon Falls, MN			Pioneer Industrial Corporation, St. Louis, MO		
		Rate Straight	Rate Over Time	Total	Rate Straight	Rate Over Time	Total
Foreman	150	\$58.00		\$8,700.00	\$55.00		\$8,250.00
Journeyman	150	\$58.00		\$8,700.00	\$50.00		\$7,500.00
Foreman (OT)	35		\$75.00	\$2,625.00		\$82.50	\$2,887.50
Journeyman (OT)	35		\$75.00	\$2,625.00		\$75.00	\$2,625.00
<b>SUBTOTAL:</b>				<b>\$22,650.00</b>			<b>\$21,262.50</b>
<b>Equipment</b>							
Truck (day)	14	\$40.00		\$560.00	\$40.00		\$560.00
Electronic Valve Tester (day)	3	\$300.00		\$900.00	\$150.00		\$450.00
Gate Valve Machine EFCO (day)	1	\$350.00		\$350.00	\$250.00		\$250.00
<b>SUBTOTAL:</b>				<b>\$1,810.00</b>			<b>\$1,260.00</b>
<b>Miscellaneous</b>							
Travel Time	50	\$40.00		\$2,000.00	\$46.50		\$2,325.00
Travel Time (OT)	10		\$57.00	\$570.00		\$77.25	\$772.50
Mileage	2000	\$0.80		\$1,600.00	\$0.80		\$1,600.00
Per Diem	25	\$100.00		\$2,500.00	\$110.00		\$2,750.00
Mobe & Demobe	8			\$0.00			\$0.00
<b>SUBTOTAL:</b>				<b>\$6,670.00</b>			<b>\$7,447.50</b>
<b>GRAND TOTAL:</b>				<b>\$31,130.00</b>			<b>\$29,970.00</b>

## ATTACHMENT C

## 2009-167 Trip Cost Evaluation

	Ferguson Process Services	Pioneer Industrial Corporation
<b>2 Each - 1 Day Trips</b>	<b>Total</b>	<b>Total</b>
Journeyman x 1	\$290.00	\$250.00
Travel	\$254.40	\$332.94
Truck x 1	\$40.00	\$40.00
Travel	\$496.50	\$366.86
EVT	\$300.00	\$150.00
<b>SUBTOTAL:</b>		
1 Day Trip Total:	\$1,380.90	\$1,139.80
<b>2 Each - 1 Day Trip Total:</b>	<b>\$2,761.80</b>	<b>\$2,279.60</b>

	Total	Total
<b>2 Each - 5 Day Trip</b>		
Foreman x 1	\$2,320.00	\$2,200.00
Travel	\$254.40	\$368.74
Per-Diem	\$400.00	\$440.00
Journeyman x 2	\$4,640.00	\$4,000.00
Travel	\$508.80	\$665.88
Per-Diem	\$800.00	\$880.00
Truck x 1	\$200.00	\$200.00
Travel	\$496.50	\$366.86
Gate Machine x 1	\$1,750.00	\$1,250.00
Mobile Shop Trailer	\$500.00	\$2,500.00
Travel	\$496.50	\$1,375.74
<b>SUBTOTAL:</b>		
5 Day Trip Total:	\$12,366.20	\$14,247.22
<b>2 Each - 5 Day Trip Total:</b>	<b>\$24,732.40</b>	<b>\$28,494.44</b>

	Total	Total
<b>1 Each - 3 Day Trip</b>		
Foreman x 1	\$1,392.00	\$1,320.00
Travel	\$254.40	\$368.74
Per-Diem	\$200.00	\$220.00
Journeyman x 2	\$2,784.00	\$2,400.00
Travel	\$508.80	\$665.88
Per-Diem	\$400.00	\$440.00
Truck x 1	\$120.00	\$120.00
Travel	\$496.50	\$366.86
Gate Machine x 1	\$1,050.00	\$750.00
Mobile Shop Trailer	\$300.00	\$2,250.00
Travel	\$496.50	\$1,375.74
<b>SUBTOTAL:</b>		
3 Day Trip Total:	\$8,002.20	\$10,277.22
<b>GRAND TOTAL:</b>	<b>\$35,496.40</b>	<b>\$41,051.26</b>