

**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT CHANGE ORDER FOR LIGHTER DUTY SPECIALIZED CLEANING SERVICES**

**BACKGROUND:**

Electric Services has two coal-fired, high-pressure steam generation units within the 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 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. The units operate under extreme environmental conditions which result in slag and other industrial debris coating the boiler and other Plant equipment surfaces.

Prior to repair and maintenance work being done, it is necessary to have the surfaces professionally cleaned using high-pressure water jets and vacuums. 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. These same firms have the industrial vacuum trucks that can accumulate and contain this industrial debris for proper disposal. This contract is to provide specialized wet/dry vacuum, hydro blast, and related cleaning services for the Power Plant.

On April 23, 2013, Council approved the contract renewal with Bodine Services of Clinton, LLC, Clinton, Iowa, in an amount not to exceed \$52,000 for a number of "lighter duty" specialized cleaning services, including wet/dry vacuum, hydroblast and related cleaning services, for the one-year period from July 1, 2013, through June 30, 2014. Actual payments are based on time and material basis. Council should note that the City also has a contract for similar services with W-S Industrial Services, Inc., for "heavier duty" cleaning services, which is also on this Council agenda for a change order.

Due to the need for additional services, on April 8<sup>th</sup> staff approved Change Order No. 1 in the amount of \$10,000 for additional funds to the current FY2013/14 contract.

The proposed change order will be Change Order No. 2. This change order will add an additional \$15,000 to the current contract for FY2013/14. This will bring the total contract amount to \$77,000. Staff has determined that recent outages on Unit #7 & #8 will exhaust the budgeted dollar amount prior to end of fiscal year. Although there is no additional work scheduled at this time, having available funds will allow staff to react quickly if the need

arises. **The Council should understand the additional funds authorized in this change order will not be spent unless needed.**

The FY 2013/14 operating budget for Electric Production includes \$52,000 for miscellaneous services to be performed under this contract. Funding to cover this change order will be transferred from another portion of the existing Unit 8 Boiler operating budget. **Payments will be calculated on unit prices bid and actual work performed, up to the available budget amount.**

**ALTERNATIVES:**

1. Approve contract Change Order No. 2 to Bodine Services of Clinton, LLC in the amount of \$15,000. This will bring the total FY2013/2014 contract limit to the not-to-exceed amount of \$77,000.
2. Reject contract Change Order No. 2 and allow the funds for these cleaning services to be exhausted.

**MANAGER'S RECOMMENDED ACTION:**

This change order is necessary to ensure a qualified professional firm will respond to both emergency and scheduled repairs resulting from equipment failures by having established billing rates. This contract allows the Power Plant to control the costs of these services to the extent possible.

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