

COUNCIL ACTION FORM

SUBJECT: POWER PLANT MAINTENANCE SERVICES CONTRACT

BACKGROUND:

On March 10, 2020, City Council approved preliminary plans and specifications for the Power Plant Maintenance Services Contract. The Electric Utility has two gas-fired, high-pressure steam generation units within the City's Power Plant, referred to as Units No. 7 and 8. These units require regular professional maintenance and repair. This consists of both emergency and planned repairs and service. Services include a variety of boiler maintenance and repairs, structural steel, pump and piping work, and other miscellaneous mechanical Power Plant work.

The repair of the equipment on these generation units requires professional trade crafts such as laborers, millwrights, and steam/pipe fitters.

This contract is to provide power plant maintenance services for the period following final City Council approval of contract and performance bond through June 30, 2021. The contract includes a provision that would allow the City to renew the contract for up to four additional one-year terms.

Bid documents were issued to thirty-six companies 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 May 13, 2020, bids were received from six companies as shown on the attached bid summary. At the May 26, 2020, City Council meeting bids were reported.

The second attachment shows a cost evaluation of the two apparent lowest bidders. The evaluation is based on a sampling of personnel and associated travel/subsistence that the Power Plant requires for successful fulfillment of a typical work scenario performed on this service contract over a ten-day period.

Staff reviewed the bids and concluded, based on the time and material rates submitted, that the apparent low bid submitted by Anderson Process & Instrumentation Solutions, LLC., Marshalltown, IA, in the not-to-exceed amount of \$125,000 is the lowest bid and is acceptable.

As there are provisions that would allow the City to renew the contract up to four additional one-year terms, staff did consider future year cost increases. Unfortunately, it was not possible to get an accurate comparison because some of the bidders claimed

that future labor rates were subject to future union negotiations. Staff will know the new labor rates prior to renewing the contract each year. If the labor rates seem excessive, staff will not recommend renewal and instead will re-bid for the services.

Staff recommends that these services continue to be outsourced on an annual renewable contract basis. The benefits of having a contract for these services in place include the following:

- 1) Consistency of work and quality from a single contractor.
- 2) Reduction in the City's exposure to market forces regarding prices and availability for labor, travel, and supplies in preparation for a scheduled outage.
- 3) Rapid contractor mobilization to start emergency repairs, thus reducing generation downtime.
- 4) Saved City staff time obtaining quotes, evaluating bids and preparing specifications and other procurement documentation.

The approved FY2020/21 Power Plant operating budget for Electric Production includes \$125,000 for this contract. Invoices will be based on contract rates for time and materials for services actually received.

ALTERNATIVES:

1. Award a contract for the FY 2020/21 Power Plant Maintenance Services Contract to **Anderson Process & Instrumentation Solutions, LLC., Marshalltown, IA**, for hourly rates and unit prices bid, in an amount not-to-exceed \$125,000.

The contract includes a provision that would allow the City to renew the contract for up to four additional one-year terms at stated rates.

2. Award a contract to one of the other bidders.
3. Reject all bids and direct staff to purchase these services on an as-needed basis.

CITY MANAGER'S RECOMMENDED ACTION:

This work is necessary to ensure that a qualified professional firm will respond to both scheduled and emergency needs for Power Plant repair and maintenance and will also control costs by having established billing rates. Funds will be expended only as work is required and in accordance with approved invoices. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.



2018-168 Power Plant Maintenance Services Contract Bid Summary

LABOR:

		Hourly Rate	Hourly Rate	Hourly Rate (DT)	Hourly Rate	Hourly Rate (OT)	Hourly Rate (DT)
BOILERMAKER							
Day	Journeyman						
	Foreman						
	General Foreman						
	Superintendent						
Night	Journeyman						
	Foreman						
	General Foreman						
	Superintendent						
BRICKLAYER							
Day	Journeyman						
	Foreman						
	General Foreman						
	Superintendent						
Night	Journeyman						
	Foreman						
	General Foreman						
	Superintendent						
LABORER							
Day	Journeyman						
	Foreman						
	General Foreman						
	Superintendent						
Night	Journeyman						
	Foreman						
	General Foreman						
	Superintendent						
MILLWRIGHT							
Day	Journeyman						
	Foreman						
	General Foreman						
	Superintendent						
Night	Journeyman						
	Foreman						
	General Foreman						
	Superintendent						
STEAMFITTER							
Day	Journeyman						
	Foreman						
	General Foreman						
	Superintendent						
Night	Journeyman						
	Foreman						
	General Foreman						
	Superintendent						

Description	Rate	Rate
Subsistence:		
Supervisors	\$ _____ per day	\$ _____ per day
Craft	\$ _____ per day	\$ _____ per day
Travel & Mileage		
Supervisor travel	\$ _____ per _____	\$ _____ per _____
Supervisor mileage	\$ _____ per _____	\$ _____ per _____
Craft travel		
Craft mileage		
Deliveries		
Travel	\$ _____ per _____	\$ _____ per _____
Mileage	\$ _____ per _____	\$ _____ per _____
MISC.		
Description	Rate	Rate
Safety supplies & equipment	Cost + _____ %	Cost + _____ %
Miscellaneous materials & consumables	Cost + _____ %	Cost + _____ %
Proposed Price Increase for Renewal Periods		
Travel & Subsistence	_____ % per _____	_____ % per _____
Equipment & Tools	_____ % per _____	_____ % per _____

2020-106 Power Plant Maintenance Services Contract Bid Summary													
LABOR:	TEI Construction Services, Inc. Duncan, SC			Plibrico Company, LLC, Omaha, NE			Capital City Boiler & Machine Works, Inc Des Moines, IA			Weitz Industrial, LLC Rapids, IA		Cedar	
LABORER	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	
Day	Journeyman	\$43.64	\$65.34	\$65.34	\$45.98	\$61.06	\$76.14	\$75.00	\$100.00	\$135.00	\$51.38	\$68.49	\$85.59
	Foreman	\$61.92	\$94.04	\$94.04	\$47.48	\$63.24	\$78.99	\$75.00	\$100.00	\$135.00	\$52.75	\$70.50	\$88.25
	General	\$94.36	\$136.04	\$136.04	\$48.23	\$64.32	\$80.42	\$75.00	\$100.00	\$135.00	\$54.12	\$72.51	\$90.91
	Superintendent	\$105.02	\$152.78	\$152.78	NA	NA	NA	\$75.00	\$100.00	\$135.00	\$71.07	\$92.66	\$117.49
Night	Journeyman	\$43.64	\$65.34	\$65.34	\$45.98	\$61.06	\$76.14	\$75.00	\$100.00	\$135.00	\$51.38	\$68.49	\$85.59
	Foreman	NA	NA	NA	\$47.48	\$63.24	\$78.99	\$75.00	\$100.00	\$135.00	\$52.75	\$70.50	\$88.25
	General	NA	NA	NA	\$48.23	\$64.32	\$80.42	\$75.00	\$100.00	\$135.00	\$54.12	\$72.51	\$90.91
	Superintendent	NA	NA	NA	NA	NA	NA	\$75.00	\$100.00	\$135.00	\$71.07	\$92.66	\$117.49
NOTE:			See exception A for night shift						night shift - 6.5 hrs of work for 8 hrs of pay				
MILLWRIGHT	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	
Day	Journeyman	\$57.35	\$86.87	\$86.87	\$65.57	\$86.05	\$106.52	\$85.00	\$110.00	\$145.00	\$60.30	\$79.74	\$99.17
	Foreman	\$61.92	\$94.04	\$94.04	\$67.05	\$88.20	\$109.35	\$85.00	\$110.00	\$145.00	\$62.98	\$83.71	\$104.43
	General	\$94.36	\$136.04	\$136.04	\$70.01	\$92.51	\$115.01	\$85.00	\$110.00	\$145.00	\$64.32	\$85.69	\$107.06
	Superintendent	\$105.02	\$152.78	\$152.78	NA	NA	NA	\$85.00	\$110.00	\$145.00	\$91.86	\$117.66	\$146.94
Night	Journeyman	\$57.35	\$86.87	\$86.87	\$65.57	\$86.05	\$106.52	\$85.00	\$110.00	\$145.00	\$63.28	\$84.17	\$105.05
	Foreman	\$61.92	\$94.04	\$94.04	\$67.05	\$88.20	\$109.35	\$85.00	\$110.00	\$145.00	\$65.97	\$88.14	\$110.31
	General	\$94.36	\$136.04	\$136.04	\$70.01	\$92.51	\$115.01	\$85.00	\$110.00	\$145.00	\$67.31	\$90.12	\$112.94
	Superintendent	\$105.02	\$152.78	\$152.78	NA	NA	NA	\$85.00	\$110.00	\$145.00	\$94.85	\$122.09	\$152.81
NOTE:			See Exception C for night shift										
STEAMFITTER	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	
Day	Journeyman	\$57.35	\$86.87	\$86.87	\$76.95	\$109.41	\$141.83	\$85.00	\$110.00	\$145.00	\$75.16	\$99.89	\$124.73
	Foreman	\$61.92	\$94.04	\$94.04	\$85.22	\$121.49	\$157.74	\$85.00	\$110.00	\$145.00	\$79.19	\$106.01	\$132.83
	General	\$94.36	\$136.04	\$136.04	\$87.98	\$125.52	\$163.04	\$85.00	\$110.00	\$145.00	\$81.77	\$109.83	\$137.90
	Superintendent	\$105.02	\$152.78	\$152.78	NA	NA	NA	\$85.00	\$110.00	\$145.00	\$96.74	\$126.44	\$159.89
Night	Journeyman	\$57.35	\$86.87	\$86.87	\$85.21	\$121.47	\$157.71	\$85.00	\$110.00	\$145.00	\$80.16	\$107.48	\$134.80
	Foreman	\$61.92	\$94.04	\$94.04	\$94.73	\$135.38	\$176.01	\$85.00	\$110.00	\$145.00	\$84.70	\$114.20	\$143.71
	General	\$94.36	\$136.04	\$136.04	\$97.91	\$140.03	\$182.14	\$85.00	\$110.00	\$145.00	\$87.53	\$118.40	\$149.27
	Superintendent	\$105.02	\$152.78	\$152.78	NA	NA	NA	\$85.00	\$110.00	\$145.00	\$103.61	\$136.65	\$173.46
NOTE:													
PIPEFITTER	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	
Day	Journeyman	\$57.35	\$86.87	\$86.87	\$76.95	\$109.41	\$141.83	\$85.00	\$110.00	\$145.00	\$75.16	\$99.89	\$124.73
	Foreman	\$61.92	\$94.04	\$94.04	\$85.22	\$121.49	\$157.74	\$85.00	\$110.00	\$145.00	\$79.19	\$106.01	\$132.83
	General	\$94.36	\$136.04	\$136.04	\$87.98	\$125.52	\$163.04	\$85.00	\$110.00	\$145.00	\$81.77	\$109.83	\$137.90
	Superintendent	\$105.02	\$152.78	\$152.78	NA	NA	NA	\$85.00	\$110.00	\$145.00	\$96.74	\$126.44	\$159.89
Night	Journeyman	\$57.35	\$86.87	\$86.87	\$85.21	\$121.47	\$157.71	\$85.00	\$110.00	\$145.00	\$80.16	\$107.48	\$134.80
	Foreman	\$61.92	\$94.04	\$94.04	\$94.73	\$135.38	\$176.01	\$85.00	\$110.00	\$145.00	\$84.70	\$114.20	\$143.71
	General	\$94.36	\$136.04	\$136.04	\$97.91	\$140.03	\$182.14	\$85.00	\$110.00	\$145.00	\$87.53	\$118.40	\$149.27
	Superintendent	\$105.02	\$152.78	\$152.78	NA	NA	NA	\$85.00	\$110.00	\$145.00	\$103.61	\$136.65	\$173.46
NOTE:													
TRAVEL & SUBSISTENCE													
Description	Rate			Rate			Rate			Rate			
Subsistence:													
Supervisors	\$140 (and GF) TEIC pays for 7 days per week			\$125.00			\$100.00			\$125.00			
Craft	\$120 (all others except laborers do not get any and TEIC pays for 7 days per week)			\$75.00			\$100.00			\$125.00			
Travel & Mileage													
Supervisor travel	see attached T&M labor rate sheet			JOURNEYMAN ST RATE			\$85.00			\$55.00			
Supervisor mileage	\$.56 per mile for 1 round trip each job, from home to Ames			\$.75 per mile			\$1.00 per mile			no milage chg, truck cost will be billed per the attached and fuel usage will be billed at cost plus fee			
Craft travel	see attached T&M labor rate sheet			ONLY IF APPLICABLE AT CRAFT JOURNEYMAN RATE			\$75.00			\$45.00 per hour if over 90 miles away			
Craft mileage	\$.56 per mile for 1 round trip each job, from home to Ames (laborers do not receive any)			If local (within 50 miles) no travel or milage, unless requested to haul equipment or tools in their personal vehicle			\$1.00 per mile			no milage chg, truck cost will be billed per the attached and fuel usage will be billed at cost plus fee			
Deliveries													
Travel	RENTAL RATE + GAS RECEIPT			LABORER JOURNEYMAN RATE			\$75.00			\$69.00			
Mileage	\$1.50 per mile for 1 round trip per job (small tool trailer)			\$1.00 per mile			\$1.00			no chg, included in travel rate			
MISC.													
Description	Rate			Rate			Rate			Rate			
Safety supplies & equipment	COST + 10%			COST + 10%			COST + 1 5%			COST + 10%			
Miscellaneous materials & consumables	COST + 10%			COST + 10%			COST + 20%			COST + 10%			
Labor	NA			based on Craft contracts			5% RENEWAL PER YEAR			3% RENEWAL PER YEAR			
Travel & Subsistence	2% RENEWAL PER YEAR			0% RENEWAL PER YEAR			0% RENEWAL PER YEAR			0% RENEWAL PER YEAR			
Equipment & Tools	2% RENEWAL PER YEAR			0% RENEWAL PER YEAR			0% RENEWAL PER YEAR			0% RENEWAL PER YEAR			
Contracts with crafts valid until January 1, 2021 and June 1, 2021.													

API Solutions Marshalltown, IA			S.T. Cotter Turbine Services, Inc. Clearwater, MN		
Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)
\$42.00	\$55.00	\$69.00			
\$46.20	\$60.50	\$75.90			
Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)
\$75.00	\$110.00	\$140.00	\$87.64	\$115.28	\$142.93
\$80.00	\$115.00	\$145.00	\$91.18	\$120.54	\$149.90
			\$93.66	\$124.22	\$154.78
			\$178.25	\$267.38	\$356.50
\$78.50	\$115.00	\$147.00	\$88.35	\$116.33	\$144.32
\$84.00	\$121.00	\$152.00	\$91.89	\$121.59	\$151.29
			\$94.37	\$125.27	\$156.17
			\$178.25	\$267.38	\$356.50
Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)
\$75.00	\$110.00	\$140.00			
\$80.00	\$115.00	\$145.00			
\$78.50	\$115.00	\$147.00			
\$84.00	\$121.00	\$152.00			
Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)
\$75.00	\$110.00	\$140.00			
\$80.00	\$115.00	\$145.00			
\$78.50	\$115.00	\$147.00			
\$84.00	\$121.00	\$152.00			
Rate	Rate				
\$0.00	\$187.00				
\$0.00	\$170.00				
\$0 for 1 trip to site per day	\$178.20				
\$0.80 per mile 1/2 ton truck and additional rider	\$57.70				
\$0 for 1 trip to site per day	\$87.64				
\$1.00 per mile 3/4 ton truck and additional rider	\$57.70 per mile				
Rate per above (hourly)	\$87.64				
\$1.00 per mile pick-up truck and add \$1.00 per mile for trailer	\$3.55				
Rate	Rate				
COST + 5%	COST + 10%				
COST + 15%	COST + 10%				
3% RENEWAL PER YEAR	3% RENEWAL PER YEAR				
N/A	3% RENEWAL PER YEAR				
2% RENEWAL PER YEAR	3% RENEWAL PER YEAR				

Example Work Scenario for Power Plant Maintenance Services

Description	TEI Construction Services, Inc. Duncan, SC	API Solutions Marshalltown, IA
Labor:	\$48,273.20	\$47,620.00
Subsistence:	\$1,720.00	\$0.00
Travel:	\$4,059.20	\$252.00
Mileage:	\$1,650.00	\$1,625.00
Total:	\$55,702.40	\$49,497.00

The scenario was based on project to take about 2 weeks, 10 hr days, no weekend.
Includes 1 foreman, 2 millrights, 6 laborers