

**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT MAINTENANCE SERVICES - CONTRACT COMPLETION FOR ANDERSON PROCESS & INSTRUMENTATION SOLUTIONS, LLC**

**BACKGROUND**

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 large 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.

On August 18, 2020, City Council awarded a contract for Power Plant Maintenance Services to Anderson Process & Instrumentation Solutions LLC of Haverhill, Iowa in the amount of \$125,000, plus \$8,750 in applicable sales tax. The work under this contract is now complete and the work is ready to be accepted and the contract closed.

**There were two change orders to the Anderson Process & Instrumentation Solutions LLC contract.**

**Change Order #1:** When it became apparent that a contract would not be awarded under the separate RDF Bin Capital Improvement Plan project due to excessive construction costs, staff needed to complete specific repairs to the RDF bin to make it safe and reliable until the larger RDF bin overhaul project could be reissued. **These critical repairs were assigned to API under this existing contract.**

To accomplish the critical work in the RDF bin, Change Order #1 was approved by Council on December 8, 2020, to increase the purchase order by \$443,889.50 (inclusive of Iowa sales tax) for materials and work needed for the repairs to the RDF bin. The repairs completed by API will reduce the scope of work that later needs to be completed through the RDF Bin Repair CIP project.

**Change Order #2:** On April 23, 2021, a change order was approved to increase the purchase order by \$25,000 (inclusive of Iowa sales tax) for additional work needed for the repairs to the RDF bin.

**All of the requirements of the contract have been met by Anderson Process & Instrumentation Solutions LLC and the Engineer has provided a certificate of completion.**

Final expenditures to Anderson Process & Instrumentation Solutions LLC, Marshalltown, IA, in the total amount of \$602,639.50 (inclusive of sales tax).

The approved FY 2020/21 Power Plant operating budget included \$125,000 for this contract. The remaining funds to cover the Change Orders came from the Power Plant's FY 2020/21 RDF Bin Maintenance Account (\$300,000), savings from the FY 2020/21 Water Treatment Operations Account (\$143,889.50), and from the FY 2021/22 RDF Bin Maintenance Account (\$33,750).

**ALTERNATIVES:**

1. Accept completion of the contract with Anderson Process & Instrumentation Solutions LLC of Haverhill, Iowa for the Power Plant Maintenance Services.
2. Delay acceptance of this project.

**CITY MANAGER'S RECOMMENDED ACTION:**

The contractor for the Power Plant Maintenance Services has completed the work under the contract, and the City is obligated to issue formal closure of the contract.

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