

COUNCIL ACTION FORM

SUBJECT: BOILER TUBE SPRAY COATING AND RELATED SERVICES AND SUPPLY CONTRACT FOR POWER PLANT

BACKGROUND:

This contract is for a contractor to provide and install boiler tube coating maintenance and surface preparation at the City's Unit #8 Power Plant. Boiler tube coating was first applied in 2011 to the bottom 50 feet of this unit. The application to the Unit #8 tubes was applied "on site" and used a different process than was recently done to Unit #7. Unit #8 coating requires yearly maintenance to maintain its effectiveness.

It is important to note that this section of the boiler is not being replaced through the current boiler tube replacement project in Unit #8. In that project, only the superheat section of the boiler tubes will be replaced with shop-coated tubes (a similar process to the recent Unit #7 boiler tube project). Therefore, the boiler tubes to be maintained through this contract will continue to be used following the return of Unit #8 to service later this year.

The Power Plant benefits from having an ongoing service contract with a firm that provides routine and emergency boiler tube spray coating services. This process reduces the City's exposure to market forces regarding prices and availability for labor, travel, and supplies for these services. By having a contract in place, City staff will also save considerable time obtaining quotes, evaluating proposals and preparing specifications and other procurement documentation.

Funding in the amount of \$350,000 is available from the approved FY 2019/20 Power Plant operating budget which includes \$882,000 for Unit #8 Boiler Maintenance. Invoices will be based on contract rates for time and materials for services that are actually received.

ALTERNATIVES:

1. Approve preliminary plans and specifications for Boiler Tube Spray Coating and Related Services and Supplies Contract, and set March 11, 2020, as the bid due date and March 24, 2020, as the date of public hearing and award of contract.
2. Purchase boiler tube spray coating services on an as-needed basis.

CITY MANAGER'S RECOMMENDED ACTION:

This contract is needed to carry out emergency and routine boiler tube spray coating maintenance services at the Power Plant to maintain protection to the wall tubes replaced in 2011. Failure to maintain the coating will result in increased wear and early tube deterioration. The contract will establish rates for service and provide for guaranteed availability, thereby setting in place known rates for service. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No.1 as stated above.