

**COUNCIL ACTION FORM**

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

**BACKGROUND:**

On February 11, 2020, City Council approved preliminary plans and specifications for the Boiler Tube Spray Coating and Related Services and Supplies Contract. This contract is for a contractor to provide and install boiler tube coating and surface preparation at the City's Power Plant on an as-needed basis. This coating protects the water wall tubes in Unit 8 boiler from corrosion.

This contract is to provide boiler tube spray coating services for the period from the award date through June 30, 2021. This contract term will enable future renewals to coincide with the City's fiscal year. The contract includes a provision that would allow the City to renew the contract for up to three additional one-year terms.

Bid documents were issued to eight companies and sent to three plan rooms. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice published on the websites of a contractor plan room service with statewide circulation and the Iowa League of Cities.

On March 11, 2020, four responsive bids were received. On March 24, 2020, bids were reported to City Council and award of contract was delayed allowing staff to more thoroughly evaluate the bids.

**Staff reviewed the bids (See attached bid summary) and determined that the low bid from Whertec, Inc., Jacksonville, FL, is acceptable.**

Having this contract reduces the City's exposure to market forces regarding prices and availability for labor, travel, and supplies in preparation for a scheduled outage. In addition, City staff will save considerable time obtaining quotes, evaluating proposals, and preparing specifications and other procurement documentation for outages.

Funding is available in the amounts of \$350,000 from the approved FY 2019/20 Power Plant operating budget and \$200,000 from the approved FY 2020/21 Power Plant operating budget. Invoices will be based on contract rates for time and materials for services actually received.

**ALTERNATIVES:**

1. Award the contract for the Boiler Tube Spray Coating and Related Services and Supplies Contract to the lowest bidder, Whertec, Inc., Jacksonville, FL, for hourly


rates and unit prices bid, in an amount not-to-exceed \$350,000 for FY 2019/20 and \$200,000 for FY 2020/21.

2. Award a contract to one of the other bidders.
3. Reject all bids and purchase boiler tube spray coating services on an as-needed basis.

**MANAGER'S RECOMMENDED ACTION:**

This contract is needed to carry out emergency and routine boiler tube spray coating services at the Power Plant to maintain protection of the water 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. The rates included in this contract are comparable to the rates from the previous provider of this service.

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

	ITB 2020-105 Boiler Tube Spray Coating and Related Services and Supply Contract Bid Summary			Brock Industrial Services Joliet, IL			GE Steam Power, Inc. Windsor, CT			Integrated Global Services, Inc. Richmond, VA		
	Whertec, Inc. Jacksonville, FL											
DESCRIPTION	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)
Supervisor:	\$75.00	\$105.00	\$131.00							\$70.00		
Apprentice:										\$60.00		
Foreman:	\$61.00	\$85.00	\$107.00									
Journeyman:												
Technician:	\$51.00	\$71.00	\$89.00							\$62.00		
Safety Supervisor	\$75.00	\$105.00	\$131.00									
Quality Assurance Supervisor	\$75.00	\$105.00	\$131.00							\$67.00		
Travel Supervisor:				\$121.18	\$156.62	\$192.06						
Travel Painter:				\$103.24	\$131.82	\$160.41						
Local Painter:				\$56.84	\$73.44	\$90.05						
Brock General Foreman:				\$121.22	\$152.18	\$183.14						
Brock Traveling Carpenter:				\$101.36	\$127.45	\$153.54						
Local Carpenter:				\$65.05	\$81.43	\$97.81						
Project Management							\$157.50			\$76.00		
Shift Management							\$141.67					
Operators and QC							\$137.50					
Project Support							\$90.00					
Subsistence:	see attached T & M rate sheets			\$100.00 per day								
Travel:	see attached T & M rate sheets			\$250 per visit per person			cost + 10% (Airfare and Car Rental)			\$850 per person plus \$140 pp/day (car and per diem)		
Mileage:	see attached T & M rate sheets			N/A								

	<b>Whertec, Inc. Jacksonville, FL</b>	<b>Brock Industrial Services Joliet, IL</b>	<b>GE Steam Power, Inc. Windsor, CT</b>	<b>Integrated Global Services, Inc. Richmond, VA</b>
Shipping of Equipment and Materials:		N/A	cost + 10%	\$5,250 (equipment), \$2,625 (material), cost plus 15% (smaller shipments)
Material Costs:		cost plus 7%		
Spray Material Alloy 812:			\$71.50 per lb.	
Abrasive Material (Al2O3):			\$1,400 per ton	
Surface passivator (HCA-4OH)			\$720.00 per gallon	
IGS 5470:				\$70 per lb.
Sand (Starblast):				\$0.48 per pound
Abrasvie Media (Aluminum Oxide):				\$1.03 per pound
IGS 6003H:				\$830.00 per gallon
Safety Supplies:				\$2.40 per hour
Consumable Supplies:				\$2.40 per hour
Add iGS: ???				\$25.00 per pound
<b>MISCELLANEOUS TOOLS AND EQUIPMENT RATES:</b>				
<b>DESCRIPTION</b>	<b>Rate per U/M</b>	<b>Rate per U/M</b>	<b>Rate per U/M</b>	<b>Rate per U/M</b>
Large Air Compressor	see attached T & M rate sheets	\$400.00/per day (no fuel)	TBD	
Sandblasting Rig	see attached T & M rate sheets	\$25.00 per day	TBD	
Metal Spray Rig	see attached T & M rate sheets	\$400.00 per day	TBD	
Blast Pot Complete (each)				\$400.00 per week
Excalibur 3000 complete HVAS (each)				\$300.00 per day
<b>Proposed Price Increase for Renewal Periods:</b>				
Labor Rates:	1% per year	1% per year	Not Addressed	One-time
Travel & Subsistence:	0% per year	1% per year	Not Addressed	