

AGENDA
SPECIAL MEETING OF THE AMES CITY COUNCIL
CITY HALL COUNCIL CHAMBERS
515 CLARK AVENUE
NOVEMBER 3, 2017

CALL TO ORDER: 4:15 p.m.

1. Resolution approving Change Order No. 1 for Boiler Tube Spray Coating and Related Services and Supplies for Electric Services

COUNCIL COMMENTS:

ADJOURNMENT:

COUNCIL ACTION FORM

SUBJECT: POWER PLANT BOILER TUBE SPRAY COATING AND RELATED SERVICES AND SUPPLIES – CHANGE ORDER NO. 1

BACKGROUND:

This contract is for a contractor to provide and install/maintain new boiler tube coating and surface preparation at the City's Power Plant boiler on an as needed basis.

On June 27, 2017, Council approved the contract renewal with Integrated Global Services, Inc. Richmond, VA, (IGS) for the Boiler Tube Spray Coating and Related Services and Supplies Contract for the one-year period from July 1, 2017, through June 30, 2018 in the amount not-to-exceed \$300,000.

The proposed change order would be Change Order No. 1. This change order will add an additional \$250,000 to the current contract for FY2017/18. This will bring the total contract amount to \$550,000.

The contract with IGS is intended to provide up to 850 ft² of surface repair of the Inconel coating on the boiler tubes. The Inconel coating provides protection for the boiler's waterwall tubes from chemical and physical attack when burning refuse derived fuel (RDF). Certain plastics in the RDF, especially polyvinyl chloride (PVC), aggressively attack boiler tube material, and Power Plant staff have found that by coating the boiler tubes in certain areas with Inconel, the tubes can be protected from this attack.

This Change Order is needed to increase the amount of square footage allowed for repair to the existing Inconel coating on the boiler tubes. **Upon inspection of the Unit #8 Boiler during the current fall outage, the tubes showed an increased area of the boiler where the Inconel coating needs to be applied.** This Change Order will increase the coverage to approximately 1,570 ft².

The \$300,000 for the original contract was approved in the FY2017/18 Power Plant operating budget for Units #7 and #8 to cover the initial 850 ft² of coating. **The additional funding to cover this \$250,000 change order will come from the elimination of other maintenance projects that were budgeted for Unit #8 (soot blower cleaning, air heater cleaning, inspecting boiler tube thicknesses, grit blasting, and reducing boiler tube repair funding in FY 2017/18. Invoices will be based on contract rates for time and materials for services that are actually received.**

ALTERNATIVES:

1. Approve contract Change Order No. 1 with Integrated Global Services, Inc., Richmond, VA for the Boiler Tube Spray Coating and Related Services and Supplies Contract in the not-to-exceed amount of \$250,000. This will bring the total FY2017/18 contract value to a not-to-exceed amount of \$550,000 for 1,570 ft² .
2. Do not approve the change order.

MANAGER'S RECOMMENDED ACTION:

Unit #8 is currently off line for its fall maintenance. The extent of the work needing to be done can only be estimated based on an examination of the boiler. When the contract amount was determined in March 2017 during the spring outage, the consultant estimated a need for 850 ft² of Inconel coverage in Unit #8. However, it is only after an examination was made of the boiler during the fall outage that the true extent of the work that needs to be done could be determined.

Failure to accomplish this additional work now will cause the underlying tubes to deteriorate more quickly resulting in increased generator outages and higher tube repair costs at a later date. This additional work, under Change Order #1, is necessary to allow the contractor to complete the necessary boiler tube work in the boiler before returning the unit to service for the winter season operation.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.