

COUNCIL ACTION FORM

SUBJECT: ASBESTOS REMEDIATION AND RELATED SERVICES AND SUPPLY CONTRACT FOR POWER PLANT

BACKGROUND:

This contract involves the removal and proper disposal of asbestos insulation at the Power Plant, including Units 5 and 6 (both retired) and operating units 7 and 8. The two retired units and Unit 7 are primarily insulated with asbestos type insulation. Unit 8 is considered "asbestos free" excluding some gasket material and steam pipe insulation around the turbine. In addition, there is other equipment and piping located in the Power Plant that has been insulated with asbestos type insulation.

The current contract for these services was bid in 2014 and there are no remaining renewal options. These services include removal and disposal of asbestos containing insulation, and the remediation/encapsulation of identified areas or where an encapsulated surface is damaged. Asbestos must be removed and disposed of per State and Federal regulations before retired equipment can be physically removed. In addition, asbestos should be removed or encapsulated where employees will be working.

The Power Plant benefits from having a service contract with a firm that provides routine and emergency asbestos remediation services. The benefits include consistency of work and quality from a single contractor, reduction in the City's exposure to market forces regarding prices and availability for labor, travel, and supplies in preparation for a scheduled outage, rapid contractor mobilization to start emergency repairs, and saved City staff time obtaining quotes, evaluating bids, and preparing specifications and other procurement documentation.

The approved FY 2019/20 Power Plant operating budget includes \$80,000 for asbestos removal. Invoices will be based on contract rates for time and materials for services actually received.

ALTERNATIVES:

1. Approve preliminary plans and specifications for Asbestos Remediation and Related Services Contract for Power Plant, and set July 10, 2019, as the bid due date and July 23, 2019, as the date of public hearing and award of contract.
2. Purchase asbestos maintenance services on an as-needed basis.

CITY MANAGER'S RECOMMENDED ACTION:

Asbestos removal and encapsulation will be an on-going cost, since most of the old equipment at the Power Plant was insulated with asbestos. This 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.