

**COUNCIL ACTION FORM**

**SUBJECT: NON-ASBESTOS INSULATION AND RELATED SERVICES AND SUPPLY CONTRACT FOR POWER PLANT**

**BACKGROUND:**

This contract involves the removal, repair, and reinstallation of non-asbestos insulation at the Power Plant. It also includes installation of new insulation systems on pipes, ducts, equipment, vessels, boilers, and accessories throughout the Power Plant; repair and replacement of lagging systems; repair and replacement of jacketing systems and installation of new jacketing systems; fire-stopping insulation; and sound attenuation insulation.

The current contract for these services was bid in 2015 and there are no remaining renewal options. The Power Plant benefits from having a service contract with a firm that provides routine and emergency non-asbestos insulation 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 non-asbestos insulation and related services and supplies. Invoices will be based on contract rates for time and materials for services actually received.

**ALTERNATIVES:**

1. Approve preliminary plans and specifications for Non-Asbestos Insulation and Related Services and Supply 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 non-asbestos insulation services on an as-needed basis.

**CITY MANAGER'S RECOMMENDED ACTION:**

Non-asbestos insulation maintenance will be an on-going cost. 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.