

COUNCIL ACTION FORM

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

BACKGROUND:

On June 11, 2019, City Council approved preliminary plans and specifications for Asbestos Remediation and Related Services and Supply Contract for Power Plant. 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 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.

Bid documents were issued to 31 firms and five plan rooms. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published on the websites of a contractor plan room service with statewide circulation and the Iowa League of Cities. On July 10, 2019, two bids were received. One bid from REW Services Corporation, Des Moines, Iowa and the other from Earth Services & Abatement (ESA) LLC., Des Moines, Iowa. **The bid tabulation is attached, indicating REW is the lower bidder.**

Because of the high concern for health and safety with asbestos removal, both company's references and Occupational Safety and Health Administration (OSHA) records were heavily researched. ESA has been working with the City of Ames Power

Plant for the last ten years and has never had a safety incident or OSHA violation while on site. ESA, according to the OSHA website, has had one violation statewide in the past five years.

The Power Plant has not worked with REW in the past, but REW has had 14 OSHA violations statewide, in the past five years. In order to ensure asbestos remediation is being performed correctly and safely, and with these OSHA violations in mind, Power Plant staff would like to award the contract to the higher bidder, ESA. As shown on the bid tabulation attachment, a typical work scenario between the two companies differs by slightly more than \$2,000. Staff believes the additional \$2,000 per work scenario is appropriate to retain safe and proper remediation services.

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. Award contract for Asbestos Remediation and Related Services Contract for Power Plant to Earth Services & Abatement, LLC, for unit prices bid in a total amount not to exceed \$80,000.
2. Award the contract to the other bidder.
3. Reject all bids and purchase asbestos maintenance services on an as-needed basis

CITY MANAGER'S RECOMMENDED ACTION:

Asbestos removal and encapsulation must be performed by a contractor that comes with a clean safety record and experience that proves the contractor can be trusted and relied on to perform remediation correctly and safely. 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.

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	REW Services Corp. Des Moines, Iowa			Earth Services & Abatement LLC Des Moines, Iowa		
DESCRIPTION	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)
Supervisor	\$70.00	\$105.00	\$140.00	\$79.00	\$118.50	\$158.00
Apprentice	\$65.00	\$97.50	\$130.00			
Foreman						
Journeyman						
Technician						
Asbestos Worker				\$68.00	\$102.00	\$136.00
Subsistence:	0			\$70 per person per day		
Travel:	\$15 per day			\$50 per person		
Materials:	at cost + 0%			Cost + 10%		
Misc. Tools & Equipment Rates:						
	Description	Rate per U/M	Description	Rate per U/M		
	Scissor lift, 19' indoor	\$135/day; \$210/week; \$365/month	ACM Container	\$250/each		
	Scissor lift, 26' indoor	\$135/day; \$220/week; \$585/month	ACM Pull	\$250/each		
	Scissor lift, 27' outdoor	\$205/day; \$410/week; \$1150/month	ACM Landfill	\$140/ton		
	Scissor lift, 35' outdoor	\$225/day; \$450/week; \$1300/month	Rentals	Cost + 10%		
	Boom lift, 35'	\$285/day; \$640/week; \$1550/month	Small tools included in cost of labor			
	Boom lift, 40' indoor	\$305/day; \$760/week; \$1650/month				
	Boom lift, 40' outdoor	\$355/day; \$805/week; \$1810/month				
Proposed Price Increase for Renewal Periods:						
Labor Rates:	3% per renewal period			3% per year		
Travel & Subsistence:	5% per renewal period			3% per year		

SAMPLE JOB COST

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for Power Plant**

SAMPLE JOB:	One crew consisting of a supervisor and two workers, working for 5 days, 8 hours per day:	
	REW Services Corp. Des Moines, Iowa	Earth Services & Abatement LLC Des Moines, Iowa
Crew makeup	1 supervisor @ \$70/hour	1 supervisor @ \$79/hour
	2 apprentice @ \$65/hour each	2 Asbestos workers @ \$68/hour each
Subsistence	0	\$70 per person per day
Travel	\$15/day	\$50/day
Labor Cost	\$ 8,000.00	\$ 8,600.00
Subsistence Cost	\$ -	\$ 1,050.00
Travel Cost	\$ 225.00	\$ 750.00
Total sample job cost	\$ 8,225.00	\$ 10,400.00