

COUNCIL ACTION FORM

**SUBJECT: ACCEPT COMPLETION OF BOILER MAINTENANCE SERVICES
 CONTRACT FOR POWER PLANT FY 2016/17 THROUGH FY 2018/19**

BACKGROUND:

On February 14, 2017, City Council awarded a contract to TEI Construction Services Inc., Duncan, SC, for Boiler Maintenance Services for Power Plant for the remainder of FY 2016/17. This contract consists of a variety of boiler and pressure vessel maintenance, including structural steel and pressure vessel repair. This consists of emergency service as well as planned repairs and services during scheduled outages. The initial contract period was shortened to enable future renewals to coincide with the City's fiscal year.

This contract had the option for the City to renew in one-year increments for up to four additional years. City Council approved renewals for FY 2017/18 and FY 2018/19. During FY 2018/19, the contractor struggled to provide needed manpower for short-term repairs and maintenance work under this contract. This situation was reported to City Council on April 16, 2019, and an emergency change order was authorized to an alternative vendor in order to complete necessary boiler repair work. On April 18, 2019, TEI Construction Services, Inc. was notified that the City would not be renewing this contract for FY 2019/20.

Total award amounts, change orders, and the total spent each fiscal year under this contract are as follows:

Fiscal Year	Award Amount	Change Orders	Total Authorized Amount	Total Amount Spent	Unused Amount
2016/17	\$200,000.00	\$ -0-	\$ 200,000.00	\$ 57,533.02	\$142,466.98
2017/18	210,000.00	1,080,000.00	1,290,000.00	1,261,347.43	28,652.57
2018/19	200,000.00	1,085,000.00	1,285,000.00	1,144,921.00	140,079.00
Total	\$610,000.00	\$2,165,000.00	\$2,775,000.00	\$2,463,801.45	\$311,198.55

TEI Construction Services, Inc. has completed work under this contract and the Director of Electric Services has provided a certificate of completion.

ALTERNATIVES:

1. Accept completion of the contract under Invitation to Bid No. 2017-073 for Boiler Maintenance Services for Power Plant FY 2016/17 through FY 2018/19 with TEI Construction Services, Inc., Duncan, SC, in the total amount of \$2,463,801.45.

2. Delay acceptance of this contract.

MANAGER'S RECOMMENDED ACTION:

TEI Construction Services, Inc., the contractor for Boiler Maintenance Services for Power Plant for FY 2016/17 through FY 2018/19, has completed all work required under the contract. The Director of Electric Services has issued a certificate of completion for the work.

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