

COUNCIL ACTION FORM

SUBJECT: ASBESTOS REMEDIATION AND RELATED SERVICES AND
SUPPLY CONTRACT FOR POWER PLANT – CHANGE ORDER NO.
1

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. Asbestos removal is an ongoing process that is completed over multiple years and as the Power Plant units are offline. 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.

On July 23, 2019, the City Council approved the award of a contract to Earth Services & Abatement, LLC. of Des Moines, IA for the Asbestos Remediation and Related Services and Supply Contract for a period of August 5, 2019 through June 30, 2020 in the amount not to exceed \$80,000.

Earth Services & Abatement (ESA) has already performed a number of removal projects around Unit 7 including all the asbestos on the boiler, all material under the turbine, and a number of pipes running the height of the boiler. **During the recent disassembly of the Unit 7 turbine and generator for its major overhaul, additional asbestos was discovered. This asbestos required immediate remediation to allow the work on the overhaul project to safely continue. After completing remediation in the vicinity of the turbine and generator, the funding for ongoing asbestos remediation has been nearly exhausted.**

THIS ACTION:

Plant staff would like to add more funding to ESA’s contract so additional asbestos can be removed on Unit 7 and Unit 8 piping during the remainder of the current fiscal year. The projects include removing asbestos from additional piping on Unit 7 before it is put back online this year and removing material on Unit 8 main steam line around the turbine, while it is in reserve shutdown. With this project, Unit 8 will be substantially free of asbestos.

The action being requested is to approve Change Order No. 1 to the Asbestos Remediation and Related Services and Supply Contract. This change order will add an additional \$74,000 to the current contract for FY 2019/20. This will bring the total contract amount to \$154,000.

Invoices will be based on contract rates for time and materials for services that are actually received. **The additional funds authorized in this change order will not be spent unless needed.** Since a contract for these services is awarded or renewed annually, the addition of funds to the current year of the contract will take advantage of lower time and materials rates compared to completing that work at a later time.

The approved FY 2019/20 Power Plant operating budget includes \$80,000 for asbestos removal. Because a substantial amount of the base contract was exhausted as a result of newly discovered asbestos when conducting the overhaul on the Unit 7 turbine and generator, the additional funding for this change order will come from the Unit 7 Turbine Generator Overhaul project. That project has \$998,508.10 in available funding.

ALTERNATIVES:

1. Approve Change Order No. 1 in the not to exceed amount of \$74,000 to Earth Services & Abatement (ESA) LLC., of Des Moines, IA, for the Asbestos Remediation and Related Services and Supply Contract for the Power Plant. This will bring the total FY 2019/20 contract value not to exceed amount of \$154,000.
2. Do not approve Change Order No. 1.

CITY MANAGER'S RECOMMENDED ACTION:

This change order is necessary to remove additional asbestos on Unit #7 and Unit #8 pipping during the remainder of the fiscal year. Funds will be expended only as work is required and in accordance with approved invoices.

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