

ITEM #:	<u>17</u>
DATE:	<u>04-28-26</u>
DEPT:	<u>ELEC</u>

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 Unit 7. The two retired units and Unit 7 were primarily insulated with asbestos-type insulation when constructed. Unit 8 is considered "asbestos free." In addition, there are other areas located in the Power Plant that have been insulated with asbestos-type insulation, such as some of the building insulation and building heating system.

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 reduced City staff time spent obtaining quotes, evaluating bids, and preparing specifications and other procurement documentation.

On March 25, 2024, City Council awarded a contract to Earth Services & Abatement (ESA) LLC., Des Moines, Iowa for the Asbestos Remediation and Related Services and Supply Contract. This contract included the option for the City to renew in one-year increments for up to four additional years. **This is the second renewal of four possible renewal periods. The prices for FY 2026/27 will increase 3% from the previous fiscal year.**

The FY 2026/27 Power Plant operating budget includes \$200,000 for asbestos removal. Invoices will be calculated using the agreed contract rates for time and materials, based on the services actually provided.

ALTERNATIVES:

1. Approve the contract with Earth Services & Abatement for Asbestos Remediation and Related Services and Supply Contract at the Power Plant for the one-year period from July 1, 2026 through June 30, 2027 in an amount not-to-exceed \$200,000
2. Reject the bid and instruct staff to seek new competitive bids.

CITY MANAGER'S RECOMMENDED ACTION:

Asbestos removal and encapsulation must be performed by an asbestos contractor with a 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.