

ITEM #:	18
DATE:	05-12-26
DEPT:	ELEC

COUNCIL ACTION FORM

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

BACKGROUND:

This contract involves the removal, repair, and reinstallation of non-asbestos insulation at the Power Plant. It also includes 1) installation of new insulation systems on pipes, ducts, equipment, vessels, boilers, and accessories throughout the Power Plant; 2) repair and replacement of lagging systems; repair and replacement of jacketing systems; and installation of new jacketing systems; and 3) fire-stopping insulation and sound attenuation insulation.

On June 11, 2024, Council awarded a contract to HTH Companies Inc., Union, MO, for the Non-Asbestos Insulation and Related Services and Supply Contract at the Power Plant. 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 out of four possible renewal periods. **The City Council should note that the rates which will be charged by HTH Companies Inc. will increase 3% compared to the current year.**

The benefits of having a contract for these services in place include the following:

- 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, thus reducing generation downtime.
- Saved City staff time obtaining quotes, evaluating bids and preparing specifications, and other procurement documentation.

The approved FY 2026/27 Power Plant operating budget includes \$150,000 for this contract. Invoices will be calculated using the contractually agreed rates for time and materials, based solely on services actually rendered.

ALTERNATIVES:

1. Approve the contract renewal with HTH Companies, Inc., of Union, MO, for the Non-Asbestos Insulation 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 \$150,000.
2. Do not renew the contract and instruct staff to seek new competitive bids .

CITY MANAGER'S RECOMMENDED ACTION:

This contract is needed to carry out emergency and routine non-asbestos insulation services at the Power Plant. The contract will establish rates for service and provide for guaranteed availability, thereby setting in place known rates for services. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.