

**City of Fayetteville Staff Review Form**

**2020-0772**

**Legistar File ID**

**10/6/2020**

City Council Meeting Date - Agenda Item Only  
N/A for Non-Agenda Item

Tim Nyander

9/15/2020

WASTEWATER TREATMENT (730)

**Submitted By**

**Submitted Date**

**Division / Department**

**Action Recommendation:**

Staff recommends the approval of additional costs in the amount of \$20,461.31 associated with repair of the rotor shaft on the thermal dryer at the Biosolids Management Site.

**Budget Impact:**

5400.730.5800-5414.00

Water and Sewer

Account Number

Fund

02069.1

Plant Pumps and Equipment - WWTP

Project Number

Project Title

**Budgeted Item?** Yes

Current Budget \$ 1,477,313.00

Funds Obligated \$ 749,160.81

Current Balance **\$ 728,152.19**

**Does item have a cost?** Yes

Item Cost \$ 20,461.31

**Budget Adjustment Attached?** No

Budget Adjustment \$ -

Remaining Budget **\$ 707,690.88**

V20180321

**Purchase Order Number:** 2020-494

**Previous Ordinance or Resolution #** 6320

**Change Order Number:** 1

**Approval Date:**

**Original Contract Number:** -

**Comments:**



**MEETING OF OCTOBER 6, 2020**

**TO:** Mayor and City Council  
**THRU:** Susan Norton, Chief of Staff  
**FROM:** Tim Nyander, Utilities Director  
**DATE:** September 15, 2020  
**SUBJECT:** **In-Place Machinery – Additional Costs for Biosolids Dryer Shaft Repair**

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**RECOMMENDATION:**

The staff is recommending approval of additional labor costs associated with the repair of the rotating shaft on the thermal dryer at the Biosolids Management Site by In-Place Machining Company.

**BACKGROUND:**

On May 17<sup>th</sup>, 2020, the thermal dryer rotor shaft moved from its fixed position. We selected In-Place Machining Company to provide a quote to come on site to build up the surface of the shaft and then mill the shaft to within original shaft diameter tolerance for proper seating of the bearings. This firm specializes in repairing rotating equipment shafts in place on a nationwide basis and has the expertise and equipment to perform this unique service.

**DISCUSSION:**

In-Place Machining Company submitted a Time & Material quote with an estimated cost of \$56,000.00 plus applicable taxes. The City added \$8,400.00 as contingency. The original estimate for this project was based on the availability of two pieces of journal equipment being available at the time of the award. Due to the extended approval process the additional equipment was no longer available for this project. The emergent need for this project forced In-Place machinery to mobilize with the equipment that was available at the time. As a result, they were only able to machine one end at a time, instead of both ends at the same time as originally planned. This led to an extended period of performance on site. Their cost overrun is **\$20,461.31** for a total cost of \$76,461.31. In-Place has provided a full itemization of pricing. Regardless of the overrun, the on-site repair saved the City tens of thousands of dollars in shipping the shaft off-site as well as at least a month of downtime on the dryer. Extra landfill costs would have been over \$85,000, but would be offset by reduced natural gas costs, leaving a net of \$60,000. Staff recommends approval of this cost overrun.

**BUDGET/STAFF IMPACT:**

Funds are available in the Plant Pumps and Equipment - WWTP account. This item was presented to the Water, Sewer and Solid Waste Committee on September 8, 2020, and received unanimous approval to forward it to the City Council with a recommendation for approval.



In-Place Machining Comany, LLC  
 3811 N Holton Street  
 Milwaukee, WI 53212  
 Website: www.inplace.com  
 Email: Help@inplace.com

**\*\* INVOICE \*\***

**TO** City of Fayetteville Arkansas  
  
 113 West Mountain Street  
 Fayetteville, AR 72701

**P.O. NO.** 2020-00000494  
**JOB NO.** 57204  
**INVOICE NO.** IPMINV-57204  
**DATE** 7/31/2020  
**TERMS** Net 30

Interest charged at the rate of 1 1/2%  
 compounded monthly on past due  
 amounts

**WORK PERFORMED:** Undercut, sleeve, and final machine (2) 12" diameter x 8" long thermal dryer journals. Work scope was modified to sleeve thus increased total costs. Work was performed in your Fayetteville, AR facility, and completed on July 2, 2020.

IPM Thanks you for your Business!

**SHOP LABOR:**

Technician - Straight Time	96.73	Hours	X	99.85	9,658.53
Technician - Overtime	11.00	Hours	X	149.78	1,647.58
<b>TOTAL SHOP LABOR:</b>	<b>107.73</b>				<b>11,306.11</b>

**SITE & TRAVEL TIME:**

Technician - Straight Time	16.00	Hours	X	107.35	1,717.60
Technician - Straight Time	128.00	Hours	X	99.85	12,780.93
Technician - Overtime	115.00	Hours	X	149.78	17,224.70
Technician - Double Time	16.00	Hours	X	199.70	3,195.20
<b>TOTAL SITE &amp; TRAVEL TIME:</b>	<b>275.00</b>				<b>34,918.43</b>

**EXPENSES & PURCHASED SERVICES:**

Airfare					951.80
Car Rental					857.42
Consumables from IPM Inventory					643.96
Consumables Purchases					724.50
Freight					5,041.37
Lodging					2,665.08
Outside Purchased Services					92.64
Per Diem Cash Expense					1,560.00
<b>TOTAL EXPENSES &amp; PURCHASED SERVICES:</b>					<b>12,536.77</b>

**EQUIPMENT USE CHARGES:**

Equipment Usage	12.00	Shifts	X	1,475.00	17,700.00
<b>TOTAL EQUIPMENT USE CHARGES:</b>	<b>12.00</b>				<b>17,700.00</b>

<b>Wire / ACH Transfer Instructions (ACH Preferred):</b>	<b>TOTAL</b>	<b>\$</b>	<b>76,461.31</b>
<b>Bank</b> JPMorgan Chase Bank N.A.	<b>TAX</b>		<b>0.00</b>
<b>Acct Name</b> In-Place Machining Company	<b>SUBTOTAL</b>		<b>76,461.31</b>
<b>Account#</b> 623470937	<b>MONEY APPLIED</b>		<b>0.00</b>
<b>ABA#</b> 075000019 (ABA for Wires Only 021000021)	<b>TOTAL DUE THIS INVOICE (USD)</b>		<b>\$76,461.31</b>
<b>Swift</b> CHASUS33			



August 17, 2020

Mr. Tim Nyander  
 City of Fayetteville, Arkansas  
 113 West Mountain Street  
 Fayetteville, AR 72701

Via e-mail: tnyander@fayetteville-ar.gov  
 Subject: Notice of project overage  
 Ref: Thermal dryer journal repair  
 IPM Ref: IPM job # 57204

Dear Mr. Nyander,

This is to inform you of current overages above and beyond our budgetary quote 40220 Rev 1, purchase order 2020-00000494 to Undercut, sleeve, and final machine (2) 12" diameter x 8" long thermal dryer journals located in your Fayetteville, AR facility. The intent of this notice is to highlight increases in project costs and timeline that will adversely affect the overall project costs of final invoice. Please note that the below items are estimates only and will be calculated at standard T&M rates below.

The original estimate for this project was based on the availability of (2) complete pieces of journal equipment being available at the time of award. Due to the extended approval process the additional equipment was no longer available for this project. The emergent need for this project forced us to mobilize with the equipment that was available at the time. As a result of this we were only able to machine one end at a time instead of having a machine on each end as originally planned. This led to an extended period of performance on site.

The estimated time to machine the split sleeves was not accurate to the amount of time required to manufacture. This was partially due to the change from the original plan to weld the journals to the decision to install split sleeves instead. This additional time estimate should have been added to Rev 1 but was not included erroneously.

Additionally, the expedited shipping charges to deliver the (2) sleeves to site was considerably higher than we had anticipated. This was likely due to the overwhelming reduction in shipping capacity due to COVID-19.

**Impact Condition**

The following items have been identified as reasons for schedule or budget impacts.

Item	Description	Estimated Impact
<b>Reduction in Machines</b>	Reduction of available machines at time of award reduced our onsite machining efficiency.	\$10,000.00
<b>Shop Machining Time</b>	Additional shop time needed to manufacture (2) split sleeves.	\$5,000.00
<b>Additional Shipping Costs</b>	Higher than expected shipping costs that were directly related to the project	\$5,000.00
<b>Estimated Increase</b>		<b>\$20,000.00</b>



**In-Place Machining Company**  
3811 N. Holton St. • Milwaukee, WI • 53212  
PH. (414) 562-2000 • FX. (414) 562-2932  
[www.inplace.com](http://www.inplace.com) • [help@inplace.com](mailto:help@inplace.com)

**Time, Material, & Expense Pricing**

A) The following hourly labor rates apply to all in-shop logistics planning and scheduling, mobilization and demobilization, travel, and all on-site time including delay and stand-by time.

	<u>Straight Time</u> <u>(First 8 hr / day)</u>	<u>Over Time</u> <u>(Over 8 hr/day, Sat, Sun)</u>	<u>Holidays</u>
Technician(s)	\$99.85	\$149.78	\$199.70
Field Night Shift	\$107.35	\$161.03	\$214.70

In-Place Machining Company technicians work a minimum of 12 hours per day, 7 days per week. All delay and stand-by time, including non-working site days will also be charged at a minimum of 12 hours per technician, per day plus expenses. Travel days are charged at actual hours traveled.

B) Expenses are charged at our cost plus 15%. Expenses generally includes, but are not limited to, the following:

- Air & surface transportation, lodging, car rental, and all other purchased services.
- Consumables, materials, special tooling, etc. whether from IPM inventory or purchased for this job.

C) Per diem will be charged at \$65.00 per technician, per day. This generally covers all personal meal and incidental expenses, and is in addition to the rates listed above.

D) An equipment usage charge of \$1,475.00 per machine setup per shift will apply. This generally covers machines, equipment, hand tools, and instrumentation necessary to complete the project. Equipment usage can vary depending on the type and quantity used, and is generally charged for all shifts from the start of site work until completed. An equipment transit charge of 2 shifts is added to the on-site time for equipment transit time (domestic transit) regardless of actual duration, (1 outbound and 1 return.)

Thank you again for the opportunity to perform this project for you. We value your business and look forward to working with you for completion of this project in a timely and expert manner. If you have further questions or comments, please feel free to contact me at any time at 414.562.2000 x211, or via fax at 414.562.2932. You can also contact me via e-mail at [JAdams@inplace.com](mailto:JAdams@inplace.com).

Please be sure to visit us on the web at [www.inplace.com](http://www.inplace.com) to learn more about our company and the services we offer.

Respectfully,  
In-Place Machining Company

Jason Adams,  
Technical Representative



113 West Mountain Street  
Fayetteville, AR 72701  
(479) 575-8323

**Ordinance: 6320**

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**File Number: 2020-0447**

**IN-PLACE MACHINING COMPANY:**

AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND ACCEPT A QUOTE IN THE AMOUNT OF \$56,000.00 PLUS APPLICABLE TAXES FROM IN-PLACE MACHINING COMPANY FOR AN EMERGENCY REPAIR TO THE ROTOR SHAFT ON THE THERMAL DRYER AT THE BIOSOLIDS MANAGEMENT SITE, AND TO APPROVE A PROJECT CONTINGENCY IN THE AMOUNT OF \$8,400.00

**WHEREAS**, on May 17, 2020, the thermal dryer rotor shaft experienced a malfunction and, after disassembly and inspection of the rotor shaft, it showed slight damage to the bearings seals and significant damage to the rotor shaft; and

**WHEREAS**, an operational thermal dryer, in combination with the Biosolids Management Site's solar house dryers, reduces 100,000 pounds of daily biosolids volume to 15,000 pounds of Class-A, Exceptional Quality fertilizer and allows the City to achieve substantial savings on landfill costs each year; and

**WHEREAS**, In-Place Machining Company specializes in repairing rotating equipment shafts and has the expertise, personnel, and equipment to perform the service so the thermal dryer can be put back into service quickly.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:**

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby finds the above circumstances make competitive bidding not feasible or practical and therefore waives the

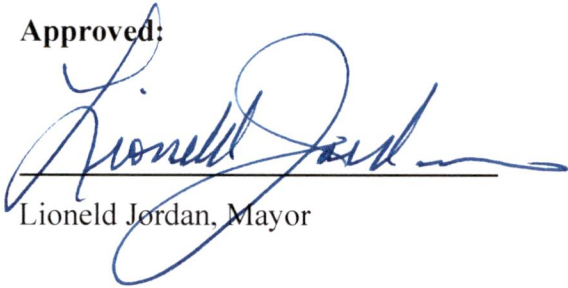
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requirements of formal competitive bidding and accepts a quote in the amount of \$56,000.00 plus applicable taxes from In-Place Machining Company for an emergency repair to the rotor shaft on the thermal dryer at the Biosolids Management Site, and further approves a project contingency in the amount of \$8,400.00.

Section 2: This contract is contingent upon In-Place Machining Company providing the City of Fayetteville documentation of its authority to do business in the state of Arkansas.

PASSED and APPROVED on 6/4/2020

**Approved:**

  
Lioneld Jordan, Mayor

**Attest:**

  
Kara Paxton, City Clerk Treasurer

