

**COUNCIL ACTION FORM**

**SUBJECT: TURBINE GENERATOR MAINTENANCE, REPAIR AND RELATED SERVICES CONTRACT**

**BACKGROUND:**

This contract is for a contractor to provide turbine maintenance services to the two steam turbine generators at the Power Plant on an as-needed basis. Applicable work on this contract would include bearing replacement and hydrogen leaks.

This is the first time the Plant has considered a services contract for this type of work. The Power Plant will benefit from having an ongoing service contract with a company that provides routine and emergency turbine generator maintenance services. This process will reduce the City's exposure to market forces regarding prices and availability for labor, travel, and supplies for these services. By having a contract in place, City staff will also save considerable time obtaining quotes, evaluating proposals and preparing specifications and other procurement documentation.

Funding in the amount of \$110,000 is available from the approved FY2015/16 Power Plant operating budget. Invoices will be based on contract rates for time and materials for services that are actually received.

**ALTERNATIVES:**

1. Approve preliminary plans and specifications for Turbine Generator Maintenance, Repair and Related Services Contract, and set May 27, 2015, as the bid due date and June 9, 2015, as the date of public hearing and award of contract.
2. Purchase turbine maintenance services on an as-needed basis.

**MANAGER'S RECOMMENDED ACTION:**

This contract will allow plant staff to carry out emergency and minor routine turbine maintenance services at the Power Plant with established terms and conditions and prices. When emergency needs arise, staff currently has to accept the vendor's terms in order to expedite the work.

Major work that can be adequately scoped will still be bid on a lump sum basis.

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