

COUNCIL ACTION FORM

SUBJECT: POWER PLANT VALVE MAINTENANCE SERVICES CONTRACT COMPLETION

BACKGROUND

The City's Electric Utility has two coal-fired, high-pressure steam generation units within the Power Plant referred to as Unit No. 7 and Unit No. 8. These units require regular professional maintenance and repair. This valve maintenance contract supplies professionals for emergency service, as well as regularly scheduled planned repairs and services during scheduled outages. The repair of the valves on these generation units requires professional trade crafts such as boilermakers; steam/pipe fitters; and millwrights, to list a few.

Because of the need to regulate steam and water in the power production process, numerous valves are used to operate the Power Plant. These include isolation, control, check, relief and safety valves that must be professionally repaired, tested, installed, replaced and maintained. Specially trained personnel perform this work. **This contract is to provide valve maintenance, testing, repair, replacement, and related services and supplies for the Power Plant boilers.**

On June 23, 2009, City Council awarded a contract to Ferguson Process Services. That contract included five optional twelve-month renewal periods. It is worth noting that Ferguson Process Services was acquired by Allied Valve, Inc., Bettendorf, IA. On May 13, 2014, City Council approved the fifth and final renewal of this contract in an amount not to exceed \$70,000.

There was one change order to this contract.

Change Order No. 1 for \$11,411.65 for additional funds to the FY2014/15 contract.
(Approved administratively on May 11, 2015)

The net contract amount including this change orders is \$81,411.65. The actual amount spent on this contract was \$78,352.83, which is less than the total contract amount by \$3,058.82. This is due to the time and material charges associated with the change orders being less than were anticipated.

All of the requirements of the contract have been met by Allied Valve, Inc., and the Power Plant Engineer has provided a certificate of completion.

ALTERNATIVES:

- 1) Accept completion of the contract with Allied Valve, Inc. for the FY2014/15 Valve Maintenance, Testing, Repair, Replacement, and Related Services and Supplies for the Power Plant Boilers at a total cost of \$78,352.83.
- 2) Delay acceptance of this contract.

MANAGER'S RECOMMENDED ACTION:

The contractor for the Valve Maintenance, Testing, Repair, Replacement, and Related Services and Supplies for the Power Plant Boilers has completed all of the work for the 2014/15 period. The Power Plant Engineer has issued a certificate of completion on the work.

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