

COUNCIL ACTION FORM

SUBJECT: 2020/2021 POWER PLANT MAINTENANCE SERVICES CONTRACT

BACKGROUND:

The Electric Utility has two gas-fired, high-pressure steam generation units within the City's Power Plant, referred to as Units No. 7 and 8. These units require regular professional maintenance and repair. This consists of both emergency and planned repairs and service. Services include a large variety of boiler maintenance and repairs, structural steel, pump and piping work, and other miscellaneous mechanical Power Plant work.

The repair of the equipment on these generation units requires professional trade crafts such as laborers, millwrights, and steam/pipe fitters.

Staff recommends that these services continue to be outsourced on an annual renewable contract basis. The benefits of having a contract for these services in place include the following:

- 1) Consistency of work and quality from a single contractor.
- 2) Reduction in the City's exposure to market forces regarding prices and availability for labor, travel, and supplies in preparation for a scheduled outage.
- 3) Rapid contractor mobilization to start emergency repairs, thus reducing generation downtime.
- 4) Saved City staff time obtaining quotes, evaluating bids and preparing specifications and other procurement documentation.

The City currently has an annual renewable contract in place for these services that ends on June 30, 2020.

The approved FY2020/21 Power Plant operating budget for Electric Production includes \$125,000 for this contract. Invoices will be based on contract rates for time and materials for services actually received.

As a result of recent COVID-19 outbreak, vendor offices are closing completely while others are allowing their employees to work from home. This is causing problems for vendors to gather the information needed to put together a complete bid package. Therefore, it is in the City's best interest to extend the question and bid due dates to allow interested bidders sufficient time to gather the information for a quality comprehensive bid.

ALTERNATIVES:

1. Approve question and due date changes for the Power Plant Maintenance Services Contract and set May 1, 2020 as the question due date and May 13, 2020 as the bid due date and May 26, 2020 as the date of hearing and award of contract.
2. Reject the request and leave the dates as currently established.

CITY MANAGER'S RECOMMENDED ACTION:

Extending the question and bid due dates will allow the potential bidders the time needed to prepare a complete bid package for the Power Plant Maintenance Services Contract and will likely improve the quality and pricing of the bids the City receives.

Therefore, it is the recommendation of the City Manager that the Council approve Alternative #1 as stated above.