

ITEM#: 45
DATE: 05-09-23
DEPT: ELECTRIC

COUNCIL ACTION FORM

SUBJECT: ELECTRICAL MAINTENANCE SERVICES CONTRACT FOR POWER PLANT

BACKGROUND:

On March 28, 2023, City Council approved preliminary plans and specifications for Electrical Maintenance Services Contract for the Power Plant. This contract consists of regular professional maintenance and repair to numerous circuit breakers, relays, and electrical circuits located Plant-wide. This contract consists of emergency service, as well as regularly planned repairs and services during scheduled outages.

This contract is to provide electrical maintenance services for the period from July 1, 2023 through June 30, 2024. The contract includes a provision that would allow the City to renew the contract for up to four additional one-year terms.

Bid documents were issued to eight companies. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published on the websites of a contractor plan room service with statewide circulation and the Iowa League of Cities.

On April 26, 2023, one bid was received from Tri-City Electric Company of Iowa, Davenport, IA.

Staff reviewed the bid. Overall, the hourly rates increased an average of 3% from the previous year; the change in individual rates ranged from -8% to 7%. Based on the time and material rates submitted, that the apparent low bidder Tri-City Electric Company of Iowa, Davenport, IA, is acceptable.

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 approved FY 2023/24 operating budget for Electric Production includes \$110,000 for relay and breaker maintenance. Invoices will be based on contract

rates for time and materials for services actually received.

ALTERNATIVES:

1. Award a contract for the Electrical Maintenance Services Contract for Power Plant to Tri-City Electric Company of Iowa, Davenport, IA, for hourly rates and unit prices bid, in an amount not-to-exceed \$110,000. The contract includes a provision that would allow the City to renew the contract for up to four additional one-year terms at stated rates.
2. Reject the bid and purchase electrical maintenance services on an as-needed basis.

CITY MANAGER'S RECOMMENDED ACTION:

This work is necessary to properly maintain relays, circuit breakers and electrical circuits and to carry out emergency and scheduled repairs resulting from equipment failures. **This contract will establish rates for service and provide for guaranteed availability, thereby setting in place known rates for service and controlling the Plant's costs. Funds will be expended only as work is required and in accordance with approved invoices.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.