

ITEM#: 35  
DATE: 06-13-23  
DEPT: ELECTRIC

**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT VALVE MAINTENANCE SERVICES CONTRACT**

**BACKGROUND:**

The Electric Utility's two natural gas-fired, high-pressure steam generation units are referred to as Units No. 7 and 8. These units require regular professional maintenance and repair. This consists of emergency service, as well as regularly scheduled planned repairs and services during scheduled outages. Services include a variety of boiler and pressure vessel maintenance and repairs, structural steel, pump and piping work, and other miscellaneous mechanical Power Plant work.

Due to these operational conditions, numerous valves are used to operate the Power Plant. These include isolation, control, check, relief and safety valves, which must be professionally repaired, tested, installed, replaced and maintained. Specially trained personnel perform this work.

On May 24, 2022, City Council awarded the Valve Maintenance, Related Services and Supplies Contract to Pioneer Industrial Corporation, Kansas City, MO. These services were to be furnished as requested from date of award through June 30, 2023. This contract included the option for the City to renew in one-year increments for up to four additional years. **This is the first renewal out of four possible renewal periods.**

**Council should note the rates that will be charged by Pioneer Industrial Corporation will increase 3% compared to the current year, as indicated on the bid document.**

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) City staff time saving in obtaining quotes, evaluating bids, and preparing specifications and other procurement documentation.

The approved FY 2023/24 Power Plant operating budget includes \$85,000 for this service. Invoices will be based on contract rates for time and materials for services

actually performed.

**ALTERNATIVES:**

1. Approve the contract renewal and bond for the Valve Maintenance, Related Services and Supplies Contract to Pioneer Industrial Corp, Kansas City, MO, for hourly rates and unit prices bid, in an amount not-to-exceed \$85,000.
2. Reject the renewal and direct staff to rebid.

**CITY MANAGER'S RECOMMENDED ACTION:**

This work is necessary to ensure that a qualified professional firm will respond to both scheduled and emergency needs for valve maintenance, and it will also control costs by having established billing rates. 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.

		Pioneer Industrial Corp	Pioneer Industrial Corp
Line #	Description	2-23 Rates	23-24 Rates
1	LABOR AND RELATED COSTS List rates for specification classifications. Attach additional sheet, if necessary, to list other classifications with rates that are offered to meet City of Ames requirements.		
2	Foreman Hourly Rate - STRAIGHT TIME	\$83.00	\$85.49
3	Foreman Hourly Rate - OVERTIME	\$124.50	\$128.235
4	Foreman Hourly Rate - DOUBLE TIME	\$166.00	\$170.98
5	Journeyman Hourly Rate - STRAIGHT TIME	\$90.00	\$92.70
6	Journeyman Hourly Rate - OVERTIME	\$135.00	\$139.05
7	Journeyman Hourly Rate -DOUBLE TIME	\$180.00	\$185.40
8	Valve Technician Hourly Rate - STRAIGHT TIME	\$72.00	\$74.16
9	Valve Technician Hourly Rate - OVERTIME	\$108.00	\$111.24
10	Valve Technician Hourly Rate - DOUBLE TIME	\$142.00	\$146.26
11	Instrument Technician Hourly Rate - STRAIGHT TIME	\$118.00	\$121.54
12	Instrument Technician Hourly Rate - OVERTIME	\$177.00	\$182.31
13	Instrument Technician Hourly Rate - DOUBLE TIME	\$236.00	\$243.08
14	TRAVEL SUBSISTENCE Bidders must list other rates that would apply to travel subsistence necessary to successfully complete the work. Attach an additional sheet if necessary.		
15	Foreman Subsistence	\$225.00	\$231.75
16	Journeyman Subsistence	\$225.00	\$231.75
17	Valve Technician Subsistence	\$225.00	\$231.75
18	Foreman Travel	\$83.00	\$85.49
19	Foreman Mileage	\$1.60	\$1.648
20	Journeyman Travel	\$90.00	\$92.70
21	Journeyman Mileage	\$1.60	\$1.648
22	Valve Technician Travel	\$72.00	\$74.16
23	Valve Technician Mileage	\$1.60	\$1.648
24	DELIVERIES		
25	Travel	\$60.00	\$61.80
26	Mileage	\$1.60	\$1.648

27	EQUIPMENT Contractor shall furnish other tools and equipment necessary to complete the work in accordance with City of Ames requirements. List per-day and per-week rates for specified equipment, plus list all other applicable items along with rates to which a cost would apply. Attach additional sheet if necessary.		
28	Mobile Shop Trailer - PER DAY	\$865.80	\$891.774
29	Mobile Shop Trailer - PER WEEK	\$4,326.00	\$4,455.78
30	Packing Extractor - PER DAY	\$502.00	\$517.06
31	Packing Extractor - PER WEEK	\$2,510.00	\$2,585.30
32	Truck - PER DAY	\$150.00	\$154.50
33	Truck - PER WEEK	\$1,050.00	\$1,081.50
34	Hydro Set Testing Device- PER DAY	\$500.00	\$515.00
35	Hydro Set Testing Device- PER WEEK	\$3,000.00	\$3,090.00
36	Electronic Valve Tester- PER DAY	\$500.00	\$515.00
37	Electronic Valve Tester - PER WEEK	\$3,000.00	\$3,090.00
38	Reseating Machine - PER DAY	\$550.00	\$566.50
39	Reseating Machine- PER WEEK	\$3,300.00	\$3,399.00
40	Valve Bore Honing Tool- PER DAY	\$550.00	\$566.50
41	Valve Bore Honing Tool- PER WEEK	\$3,300.00	\$3,399.00
42	Gate Valve Machine (1 1/2" to 14" valve size) - PER DAY	\$550.00	\$566.50
43	Gate Valve Machine(1 1/2" to 14" valve size)- PER WEEK	\$3,300.00	\$3,399.00
44	Gate Valve Machine (8" to 30" valve size)- PER DAY	\$700.00	\$721.00
45	Gate Valve Machine(8" to 30" valve size) - PER WEEK	\$4,200.00	\$4,326.00
46	MATERIAL COSTS Bidders must list other rates that would apply to materials necessary to successfully complete the work. Attach an additional sheet if necessary.		
47	Cost Plus _____%	25.0%	25.0%
48	OTHER RATES Bidders must list other rates that would apply to services, equipment, or other		
49	Shop Truck Mileage	\$1.60	\$1.60
50	Mobile Shop Trailer Mileage	\$6.59	\$6.59
51	Contract Renewal Options Pricing to remain firm for each contract period		
52	Percentage increase per year,if applicable Labor Rates (% increase per year)	3.0%	3.0%
53	Percentage increase per year, if applicable Travel Subsistence (% increase per year)	3.0%	3.0%
54	Percentage increase per year, if applicable Equipment Tools (% increase per year)	3.0%	3.0%