

## COUNCIL ACTION FORM

**SUBJECT: VALVE MAINTENANCE SERVICE FOR POWER PLANT BOILERS**

**BACKGROUND:**

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.

This contract includes maintenance, repair and replacement of these valves on an as-needed basis. The contract includes a provision that allows the City the option to renew in one-year terms at the City's discretion. The approved 2009/10 operating budget for Electric Production includes \$115,000 for miscellaneous services to be performed under this contract.

On May 27, 2009, two bids were received as shown on the attached report. It is intended that the cost evaluations reflect a summation of estimated annual requirements on the most common service components the Power Plant requires for successful fulfillment of this service contract. The analysis is not yet completed.

**ALTERNATIVES:**

1. Accept the report of bids and delay award of contract until staff completes the analysis of the technical proposals.
2. Reject all bids and purchase valve repair and maintenance services on an as-needed basis.

**MANAGER'S RECOMMENDED ACTION:**

Delaying award of contract will allow staff adequate time to evaluate the technical proposals.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, accepting the report of bids and delaying award of contract until staff completes the analysis of the technical proposals.

**2009-167 Valve Maintenance Report of Bids**

2009-167 Bid Tabulation	Ferguson Process Services, Cannon Falls, MN			Pioneer Industrial Corporation, St. Louis, MO		
	HOURLY RATE			HOURLY RATE		
LABOR DESCRIPTION	STRAIGHT TIME	OVERTIME	SUNDAYS/HOLIDAYS	STRAIGHT TIME	OVERTIME	SUNDAYS/HOLIDAYS
Foreman				\$55.00	\$82.50	\$110.00
Journeyman				\$50.00	\$75.00	\$100.00
<b>OTHER LABOR CHARGES</b>						
Valve Technician	\$58.00	\$75.00	\$80.00			
<b>SUBSISTENCE</b>						
	Rate/Bid Amount			Rate/Bid Amount		
Foreman	\$			\$ 110.00 per day		
Journeyman	\$			\$ 110.00 per day		
<b>Travel and Mileage</b>						
Foreman travel	\$	per		\$51.50	per hour	
Foreman mileage	\$	per		\$	per	
Journeyman travel	\$	per		\$46.50	per hour	
Journeyman mileage	\$	per		\$	per	
<b>OTHER CHARGES</b>						
	Rate/Bid Amount			Rate/Bid Amount		
Valve Technician	\$40.00/hr standard, \$57.00 Overtime, \$77.00/hr Sunday/Holiday					
\$.80 per mile, \$1.25 per mile with Field service Unit						
<b>EQUIPMENT DESCRIPTION</b>		<b>Per Day</b>	<b>Per Week</b>		<b>Per Day</b>	<b>Per Week</b>
Mobile shop trailer		\$100.00			\$750.00	\$2,500.00
Packing extractor					\$475.00	\$2,375.00
Truck		\$40.00			\$40.00	\$160.00
Hydro set testing service		\$200.00			\$100.00	\$400.00
Electronic valve tester		\$300.00			\$150.00	\$600.00
Gate valve machine		\$350.00				
Reseating machine		\$275.00			\$250.00	\$1,000.00
Valve bore honing tool		\$100.00			\$50.00	\$200.00
Gate valve machine (1 1/2" to 14" valve size)					\$175.00	\$700.00
Gate valve machine (8" to 30 valve size)					\$250.00	\$1,000.00
<b>MATERIAL COST</b>						
		<b>Cost plus</b>			<b>Cost plus</b>	
		20%			15%	
<b>OTHER CHARGES DESCRIPTION</b>		<b>Rate/Bid Amount</b>		<b>Rate/Bid Amount</b>		
				Shop truck mileage		\$ .80/mi
				Mobile shop trailer mileage		\$3.00/mi
<b>PROPOSED PRICE INCREASES FOR RENEWAL PERIODS (IF APPLICABLE):</b>		<b>Percent</b>	<b>per Unit</b>		<b>Percent</b>	<b>per Unit</b>
Labor Rates		3%	Year		2%	Year
Travel & Subsistence		3%	Year		2%	Year
Equip. & Tools		0%	Year		1%	Year