

**COUNCIL ACTION FORM**

**SUBJECT: BREAKER & RELAY MAINTENANCE CONTRACT FOR POWER PLANT**

**BACKGROUND:**

Electric Services' two coal-fired, high-pressure steam turbine electric generating units within the Power Plant are referred to as Unit No. 7 and Unit No. 8. These units require regular professional maintenance and repair. This consists of emergency service, as well as regularly planned repairs and services during scheduled outages. The repair of these generating units requires professional trade crafts such as boilermakers; electricians/control techs; steam/pipe fitters; and millwrights, to list a few. The units operate under environmental conditions with high heat and high pressure.

Due to these operational conditions, numerous circuit breakers and relays are necessary to safely and reliably operate the Power Plant. All of this equipment must be professionally maintained, serviced, adjusted, repaired, and rebuilt. Specially trained personnel perform this work. It is no longer possible for staff to adequately maintain this electrical equipment due to manpower constraints and the specialized nature of the work. Rather than bid and get prices for this work multiple times per year with the inconsistency of work and quality as different vendors participate, it is recommended that this work be outsourced on an annual renewable contract basis.

This process reduces the City's exposure to market forces regarding prices and availability for labor, travel, and supplies in preparation for a scheduled outage. City staff will save considerable time obtaining quotes, evaluating proposals and preparing specifications and other procurement documentation.

The approved FY 2011/12 operating budget for Electric Production includes \$127,500 for relay and breaker maintenance.

**ALTERNATIVES:**

1. Approve preliminary plans and specifications for a Power Plant breaker and relay maintenance contract, and set November 9, 2011, as the bid due date and November 22, 2011, as the date of public hearing and award of contract.
2. Purchase breaker and relay maintenance services on an as-needed basis.

**MANAGER'S RECOMMENDED ACTION:**

This work is necessary to properly maintain relays and circuit breakers and to carry out

emergency and scheduled repairs resulting from equipment failures. This contract would establish rates for service and provide for guaranteed availability, thereby setting in place known rates for service, thereby controlling costs.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving preliminary plans and specifications for a breaker and relay maintenance contract for the Power Plant, and setting November 9, 2011, as the bid due date and November 22, 2011, as the date of public hearing and award of contract.