

COUNCIL ACTION FORM

SUBJECT: POWER PLANT BREAKER MAINTENANCE CONTRACT

BACKGROUND:

On September 27, 2011, City Council approved preliminary plans and specifications for a Power Plant Breaker and Relay Maintenance Contract. This contract consists of regular professional maintenance and repair to circuit breakers and relays located Plant-wide. This consists of emergency service, as well as regularly planned repairs and services during scheduled outages.

This contract is to provide breaker and relay maintenance services for the period from mid-February 2012 (or after final City Council approval of contract and performance bond) through June 30, 2012. This will enable this and future renewals to coincide with the City's fiscal year. 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 nineteen potential bidders. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published in the Ames Tribune.

On November 9, 2011, bids were received from five firms as shown on Attachment A: Bid Summary on the attached Bid Report. Electric Services staff reviewed the bids and determined that the bid submitted from Midwest Engineering Consultants, LTD, was non-responsive because it did not provide a proposed price increase percentage for renewal periods with the bid. Instead of meeting this requirement, it was stated on the bid that the *"rate schedule is reviewed annually and any increase will be presented during the renewal process"*. Since this is a renewable contract, the percentages are a mandatory requirement because they provide a cap on any cost increases for each renewal year. Council should note that the other four bidders did provide this requirement.

Attachment B shows a cost evaluation based on a sampling of personnel and associated travel/subsistence that the Power Plant requires for successful fulfillment for a typical work scenario performed on this service contract. Based on the summation of all of the typical work scenario examples, and the lowest hourly labor rates bid, the bid submitted by Tri-City Electric Company of Iowa is the lowest bid.

The approved FY 2011/12 operating budget for Electric Production includes \$127,500 for relay and breaker maintenance. Payments would be calculated on unit prices bid and actual work performed, up to the available budget amount.

This is for maintenance work needed during the next 5 months or so, and is not for a particular maintenance project.

ALTERNATIVES:

1. Award a contract for the FY 2011-12 Power Plant breaker and relay maintenance contract to Tri-City Electric Company of Iowa, Davenport, IA, for hourly rates and unit prices bid, in an amount not-to-exceed \$127,500. 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 all bids and 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 and controlling the Plant's costs.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract for the FY 2011-12 breaker and relay maintenance contract for the Power Plant, to Tri-City Electric Company of Iowa, Davenport, IA, for hourly rates and unit prices bid, in an amount not-to-exceed \$127,500. The contract also includes a provision that would allow the City to renew the contract for up to four additional one-year terms.



IFB 2012-009 Breaker and Relay Maintenance Contract for Power Plant Bid Summary

	Tri City Electric Company of Iowa, Davenport, IA			Shermco Industries, Dallas, TX			Eaton Corporation, Urbandale, IA			Schneider Electric West Chester, OH			Midwest Engineering Consultants, LTD, Moline, IL		
DESCRIPTION	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)	Hourly Rate (ST)	Hourly Rate (OT)	Hourly Rate (DT)
Supervisor	\$ 73.85	\$ 104.80	\$ 135.90												
Apprentice	\$ 27.65	\$ 37.10	\$ 46.50												
Foreman	\$ 64.20	\$ 92.70	\$ 120.15												
Journeyman	\$ 64.20	\$ 89.80	\$ 116.35												
Technician	\$ 85.60	\$ 112.35	\$ 139.10	\$ 100.00	\$ 150.00	\$ 200.00				\$150.00	\$225.00	\$300.00			
Elect. Field Eng	\$ 107.00	\$ 133.75	\$ 160.50	\$ 110.00	\$ 165.00	\$ 220.00	\$135.00	\$200.00	\$250.00	\$200.00	\$300.00	\$400.00			
Technician Level II															
Technician Spec															
Principal										\$225.00	\$337.50	\$450.00			
Travel				\$ 70.00	\$ 105.00	\$ 140.00									
In-shop Technician										\$115.00	\$172.50	\$230.00			
Subsistence:	\$123.50 per day			\$35.00 per day			\$50.00 per day plus \$150.00/night lodging			\$75.00 per day					
Travel:	\$48.15 per hour			\$120.00 per Day (overnight)			\$135.00 per hour			\$150.00 per hour					
Mileage:	\$.91 per mile			\$1.00 per mile			\$.86 per mile			\$.50 per mile					
Material Costs:	Cost Plus 9%			Cost Plus 18 %			Cost Plus 15 %			Cost Plus 25%					
Misc. Tools and Equipment Rates															
Relay Test Set	\$54.00/Day, \$214.00/Week, \$642.00/Month														
High Current Test Set	\$80.00/Day, \$321.00/Week, \$963.00/Month														
Equip. & Consumables Expense Applied to On- Site Work															
Equip. & Consumables Expense Applied to Shop Work															
Performance Bond Fee per Year															
Owned Equipment included in labor				N/A											
Unowned, rental equipment				Cost + Freight											
Test Equipment							No additional charge except for specialized equipment								
Doble resinator							\$300 /day								
Sweep Freq (SFRA)							\$355 /day								
Dranetz (658)							\$118 /day								
Proposed Price Increase for Renewal Periods:															
Labor Rates:	4% per year			Up to 3% per year			4% per year			5% per year					



	Tri City Electric Company of Iowa, Davenport, IA	Shermco Industries, Dallas, TX	Eaton Corporation, Urbandale, IA	Schneider Electric West Chester, OH	Midwest Engineering Consultants, LTD, Moline, IL
Travel & Subsistence:	4% per year	Up to 3% per year	4% per year	5% per year	