

**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT MOTOR REPAIR CONTRACT**

**BACKGROUND:**

On January 14, 2014, City Council approved preliminary plans and specifications for the reissuance of the motor repair contract for the City's Power Plant. Electric Services' two coal-fired, high-pressure steam turbine electric generating units are referred to as Units No. 7 and 8. These units require regular professional maintenance and repair. This consists of regularly planned repairs and services during scheduled outages, as well as emergency service. The repair of these generating units requires professional trade crafts such as boilermakers, electricians/control technicians, 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 motors are necessary to safely and reliably operate the Power Plant. All of this equipment must be professionally maintained, serviced, adjusted, repaired, and rebuilt. Rather than bid and get prices for this work multiple times per year with the inconsistency of work and quality as different vendors participate, this work is outsourced on an annual renewable contract basis.

This contract is to provide motor maintenance services for the period from award date through December 31, 2014. 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 seven 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. The bid was also sent to one plan room. On February 12, 2014, two bids with were received as shown on the attached report.

Staff reviewed the two bids and concluded, based on the time and material rates submitted, that the apparent low bid from Electrical Engineering and Equipment Co., Windsor Heights, IA, is acceptable.

Having a Motor Repair Contract 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 2013/14 operating budget for Electric Production includes \$94,000 for this work. Payments would be calculated on unit prices bid and actual work performed, up to the available budget amount.**

**ALTERNATIVES:**

1. Award the contract for the Motor Repair Contract to Electrical Engineering and Equipment Co., Windsor Heights, IA, for hourly rates and unit prices bid, in an amount not-to-exceed \$94,000. This contract shall be from award date through December 31, 2014. 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 received and purchase motor maintenance services on an as-needed basis.

**MANAGER'S RECOMMENDED ACTION:**

This contract is necessary to properly maintain motors and to carry out emergency and scheduled repairs resulting from equipment failures. This contract should achieve a consistent, high quality diagnosis, repair and/or overhaul of a motor, and to return it to good operating condition with a minimum of delay and cost.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.



## IFB 2014-130 Motor Repair Contract for Power Plant Bid Summary

<b>Electrical Engineering and Equipment Co. Windsor Heights, IA</b>		<b>Shermco Industries Irving, TX</b>	
IN SHOP S.T.	\$66.30	<b>Large Motor Shop Rates</b>	
IN SHOP O.T.	\$99.45	Straight Time	\$100.00
IN SHOP D.T	\$132.60	Overtime	\$150.00
INSHOP SOLID STATE REPAIR	\$80.75	Double Time	\$200.00
IN SHOP BALANCING, first hour	\$110.50	<b>NEMA Shop Rates</b>	
IN SHOP PRESSWORK	\$80.75	Straight Time	\$85.00
OUTSIDE S.T.	\$80.75	Overtime	\$127.50
OUTSIDE O.T.	\$121.13	Double Time	\$170.00
OUTSIDE D.T.	\$161.50	<b>On-Site Rates</b>	
ON SITE SOLID STATE REPAIR, TROUBLE SHOOTING, PM'S	\$80.75	Straight Time	\$130.00
OT	\$121.13	Overtime	\$195.00
DT	\$161.50	Double Time	\$260.00
ON SITE VIBRATION ANALYSIS AND BALANCING	\$80.75	Travel Time	Charged as above
OT	\$121.13	Mileage	\$1.50 / mile
DT	\$161.50	Expenses (Meals)	\$35.00 / day
Mileage	\$0.94 / mile	Additional Expenses	Cost Plus 30%
CRAFT TRAVEL	\$80.75		
MATERIAL COSTS:	Cost Plus 20%		
<b>Proposed Price Increase for Renewal Periods:</b>			
Labor Rates:	1.5% per year	0% per year	
Travel & Subsistence:	1% per year	0% per year	
<b>* All labor rates listed above are per hour</b>			