

COUNCIL ACTION FORM

SUBJECT: ELECTRICAL MAINTENANCE SERVICES CONTRACT FOR POWER PLANT

BACKGROUND:

Electric Services' two 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, relays and electrical circuits 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.

The City currently has an annual renewable contract titled Power Plant Breaker and Relay Maintenance (Breaker Maintenance) in place for which for these services. The Breaker Maintenance contract is in its final year and expires on June 30, 2016. Council should note that this new contract will replace the Breaker Maintenance contract with an improved and more comprehensive contract that better meets the work requirements.

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

The approved FY 2016/17 operating budget for Electric Production includes \$97,000 for relay and breaker maintenance. Invoices will be based on contract rates for time and materials for services actually received.

ALTERNATIVES:

1. Approve preliminary plans and specifications for the Electrical Maintenance Services Contract for Power Plant, and set May 12, 2016 as the due date for bids and May 24, 2016 as the date of public hearing and award of contract.
2. Purchase electrical maintenance services on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

This work is necessary to properly maintain relays, circuit breakers and electrical circuits 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 #1 as stated above.