

COUNCIL ACTION FORM

SUBJECT: POWER PLANT MOTOR REPAIR CONTRACT

BACKGROUND:

The City's Power Plant has two natural gas-fired, high-pressure steam turbine electric generating units which 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.

The City currently has an annual renewable contract in place for these services. This contract is in the final year and expires on June 30, 2018.

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 FY2018/19 Power Plant operating budget includes \$90,000 for this contract. Payments would be calculated on unit prices bid and actual work performed, up to the available budget amount.

ALTERNATIVES:

1. Approve preliminary plans and specifications for the Motor Repair Contract for Power Plant, and set May 10, 2018 as the due date for bids and May 22, 2018 as the date of public hearing and award of contract.

2. Purchase motor maintenance services on an as-needed basis.

CITY 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 #1 as stated above.