

**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT MOTOR REPAIR CONTRACT**

**BACKGROUND**

Electric Services' two natural gas-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 work consists of regularly planned repairs and services during scheduled outages, as well as emergency service. The repair of these generating units requires professional trade workers 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.

Because of 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. It is not possible for staff to adequately maintain this electrical equipment due to manpower constraints and the specialized nature of the repairs.

Rather than bid and obtain 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 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 saves considerable time in obtaining quotes, evaluating proposals, preparing specifications, and other procurement documentation.

On February 25, 2014, City Council awarded a contract to Electrical Engineering and Equipment Co., Windsor Heights, Iowa, for the Motor Repair Contract. The contract had the option for the City to renew in one-year increments for up to four optional twelve-month renewal periods. On May 9, 2017, City Council approved the fourth and final renewal of this contract in an amount not to exceed \$95,000.

Council should note that the actual amount spent on this contract was \$60,402.77, which is less than the total contract amount by \$34,597.23. This is due to the time and material charges associated with the contract were less than anticipated.

All of the requirements of the contract have been met by Engineering and Equipment Co, and the Power Plant Engineer has provided a certificate of completion.

The City Council should remember that at the June 12, 2018 meeting, that a new contract was awarded to Electrical Engineering and Equipment Co., Windsor Heights,

IA, for hourly rates and unit prices bid, in an amount not-to-exceed \$90,000 for the FY2018/19 period. 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.

**ALTERNATIVES:**

- 1) Accept completion of the contract with Electrical Engineering and Equipment Co., for the FY2017/18 Motor Repair Contract at a total cost of \$60,402.77.
- 2) Delay acceptance of this contract.

**MANAGER'S RECOMMENDED ACTION:**

The contractor for the Motor Repair Contract has completed all of the work for the 2017/18 period. The Power Plant Engineer has issued a certificate of completion on the work.

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