

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.

On June 14, 2016, Council awarded a contract to Tri-City Electric Company of Iowa, Davenport, IA, for the Electrical Maintenance Services Contract for Power Plant. 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 first of four possible renewals of this contract in an amount not to exceed \$140,000.

Council should note that the actual amount spent on this contract was \$124,654.72, which is less than the total contract amount by \$15,345.28. 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 Tri-City Electric Company of Iowa and the Power Plant Engineer has provided a certificate of completion.

The City Council should remember that at the April 4, 2018 meeting, staff explained that they did not want to renew this contract even though the City had an annual renewable contract in place with Tri-City Electric Company of Iowa for these services. Staff believed more competitive bids could be secured through rebidding these services rather than taking advantage of the second of four renewal options. Therefore, the City Council has already approved a contract with the same company to perform these services for FY 2018/19.

ALTERNATIVES:

- 1) Accept completion of the contract with Tri-City Electric Company of Iowa, for the FY2017/18 Electrical Maintenance Services Contract for Power Plant at a total cost of \$124,654.72.
- 2) Delay acceptance of this contract.

MANAGER'S RECOMMENDED ACTION:

The contractor for the Electrical Maintenance Services Contract for Power Plant 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.