

ITEM #: 27  
DATE: 05-14-24  
DEPT: ELEC

**COUNCIL ACTION FORM**

**SUBJECT:** VALVE MAINTENANCE AND RELATED SERVICES AND SUPPLIES  
CONTRACT FOR POWER PLANT - CONTRACT RENEWAL

**BACKGROUND:**

The Electric Utility's two natural gas-fired, high-pressure steam generation units are referred to as Units No. 7 and 8. These units require regular professional maintenance and repair. This consists of emergency service, as well as regularly scheduled planned repairs and services during scheduled outages. Services include a variety of boiler and pressure vessel maintenance and repairs, structural steel, pump and piping work, and other miscellaneous mechanical Power Plant work.

Due to these operational conditions, numerous valves are used to operate the Power Plant. These include isolation, control, check, relief and safety valves, which must be professionally repaired, tested, installed, replaced and maintained. Specially trained personnel perform this work.

On May 24, 2022, City Council awarded the Valve Maintenance, Related Services and Supplies Contract to Pioneer Industrial Corporation, Kansas City, MO. This contract included the option for the City to renew in one-year increments for up to four additional years. This is the second renewal out of four possible renewal periods.

Council should note the rates that will be charged by Pioneer Industrial Corporation will increase 3% compared to the current year, as indicated on the bid document.

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 2024/25 Power Plant operating budget includes \$60,000 for this service. Invoices will be based on contract rates for time and materials for services actually performed.

**ALTERNATIVES:**

1. Approve the contract renewal and bond with Pioneer Industrial Corp, Kansas City, MO for the Valve Maintenance and Related Services and Supplies Contract for Power Plant for the one-year period from July 1, 2024 through June 30, 2025 in an amount not-to-exceed \$60,000
2. Reject the renewal option and instruct staff to seek new competitive bids.

**CITY MANAGER'S RECOMMENDED ACTION:**

This work is necessary to ensure that a qualified professional firm will respond to both scheduled and emergency needs for valve maintenance, and it will also control costs by having established billing rates. Funds will be expended only as work is required and in accordance with approved invoices. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

**ATTACHMENT(S):**

[valve 24-25 renewal rates.xlsx](#)