

ITEM #:	<u>25</u>
DATE:	<u>06-09-26</u>
DEPT:	<u>ELEC</u>

COUNCIL ACTION FORM

SUBJECT: POWER PLANT MAINTENANCE SERVICES CONTRACT - CONTRACT RENEWAL

BACKGROUND:

The Electric Utility has two gas-fired, high-pressure steam generation units within the City's Power Plant, referred to as Units No. 7 and 8. These units require regular professional maintenance and repair. This work consists of both emergency and planned repairs and service. Services include 1) boiler maintenance and repairs, 2) structural steel, 3) pump and piping work, and 4) other miscellaneous mechanical Power Plant work. The repair of the equipment on these generation units requires professional trade crafts such as laborers, millwrights, and steam/pipe fitters.

On March 14, 2023, City Council awarded the Power Plant Maintenance Services Contract to Waldinger Corporation, of Des Moines, IA. This contract included the option for the City to renew in one-year increments for up to four additional years. This is the third renewal out of four possible renewal periods.

Council should note the rates that will be charged by Waldinger Corporation will increase 4% 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 2026/27 Power Plant operating budget includes \$120,000 for this service. Invoices will be based on contract rates for time and materials for services actually performed.

ALTERNATIVES:

1. Approve the contract renewal with Waldinger Corporation, of Des Moines, IA, for the Power Plant Maintenance Services Contract for July 1, 2026 through June 30, 2027, in an amount not-to-exceed \$120,000.
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 Power Plant maintenance. The renewal contract will 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.