

**COUNCIL ACTION FORM**

**SUBJECT: CONTRACT RENEWAL FOR ELECTRICAL MAINTENANCE SERVICES  
CONTRACT FOR POWER PLANT**

**BACKGROUND:**

On May 22, 2018, City Council awarded a contract for the Power Plant's Electrical Maintenance Services to Tri-City Electric Company of Davenport, Iowa. This contract consists of regular professional maintenance and repair to numerous circuit breakers, relays, and electrical circuits located Plant-wide. This contract also includes emergency service, as well as regularly planned repairs and services during scheduled outages.

This contract has the option for the City to renew in one-year increments for up to four additional years. **This would be the second of the four optional renewals.**

The contract's rate provision increases labor rates by 3% per year and travel and subsistence rates by 3% per year. The markup for materials (10%) and rates for equipment and tools remain firm. Prices are shown on the attached sheets.

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 2020/21 operating budget for Electric Production includes \$140,000 for relay and breaker maintenance. **Invoices will be based on contract rates for time and materials for services actually received.**

**ALTERNATIVES:**

1. Approve the contract renewal for electrical maintenance services for Power Plant FY 2019-20
  - a. Approve contract renewal with Tri-City Electric Company of Iowa, Davenport, IA, for the Electrical Maintenance Services Contract for Power Plant for the one-year period from July 1, 2020, through June 30, 2021 for hourly rates

and unit prices bid, in an amount not-to-exceed \$140,000.

- b. Approve contract with Tri-City Electric Company of Iowa and the performance bond in the amount of \$140,000.
2. Reject the renewal option and instruct staff to seek new competitive bids for electrical maintenance services for the Power Plant.

**MANAGER'S RECOMMENDED ACTION:**

This work is necessary to properly maintain relays, circuit breakers and electrical circuits and to carry out emergency and scheduled repairs resulting from equipment failures. This contract would establish rates for service and provide for guaranteed availability, thereby setting in place known rates for service and controlling the Power Plant's costs. 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 #1 as stated above.