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| ITEM #: | <u>21</u> |
| DATE: | <u>05-26-26</u> |
| DEPT: | <u>ELEC</u> |

COUNCIL ACTION FORM

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

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 contract 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 must perform this work.

On May 9, 2023, Ames City Council awarded a contract to Tri-City Electric Company of Iowa, Davenport, IA, for the Electrical Maintenance Services Contract for Power Plant. The contract includes an option that would allow the City to renew the contract for up to four additional one-year terms. This is the third of four additional renewal contract periods. **The City Council should note that the rates which will be charged by Tri-City Electric Company of Iowa will increase by 3%, as indicated in their 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 operating budget for Electric Production includes \$110,000 for relay and breaker maintenance. Actual expenses will be based on services provided and

invoiced during the term of the renewal.

ALTERNATIVES:

1. Approve the 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, 2026 through June 30, 2027 in an amount not-to-exceed \$110,000.
2. Reject the renewal option and instruct staff to seek new competitive bids.

CITY 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 competitive rates for service and provide for guaranteed availability, thereby setting in place known rates for service and controlling the Plant's costs. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.