



# Request for Council Action

Originator Purchasing	Item <b>Electric Services with Peoples Electric Services - Approve Extension</b>
Agenda Section Consent	Date 4/6/2015

## Description

Council is requested to approve extension of the contract with Peoples Electric Company to provide interior electrical service maintenance and construction as needed for City buildings and facilities. The current 2-year contract expires on April 30, 2015 and may be extended for an additional 2-year term.

Under the terms of the contract, the Contractor may request an adjustment in the contract hourly rates should they be able to document an increase in their direct costs to provide the required services. Peoples Electric Company has requested a 7.7% increase in the contract labor rates for the next two year term due to the increase in the union wage schedule and the anticipated increase in union wages in 2016.

Peoples Electric has provided prompt, quality service to the City throughout the initial term of the contract. The requested increases are reasonable and comparable with current labor rates.

Funding for these services is budgeted annually in the Facilities and Maintenance Budgets. Expenditures for these services to-date are \$267,231.31. Please note that departments outside of Public Works also utilize this contract; those expenditures are included in the above amount.

The current not-to-exceed amount for this contract is \$270,000. Council is also requested to increase the not-to-exceed contract amount by \$430,000 for a total not-to-exceed amount to \$700,000 to cover the expected cost for the total 4 year contract period. This is an average of \$175,000 a year. The large increase to the contracts not-to-exceed amount for the contract extension period is due to the expected projects over the next two years.

## Requested Action

Approve the extension of contract with Peoples Electric Company for interior electrical services through April 30, 2017 with a 7.7% increase to labor rates.

Approve the increase to the not-to-exceed contract amount by \$430,000 for a total not-to-exceed amount to \$700,000 to cover the expected cost for the total 4 year contract period.

## Attachments: