



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
January 6, 2009

Honorable Mayor and
Members of the City Council

Title: Contract: Stationary Emergency Generator Repair, Maintenance, and Testing Services

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) awarding Cummins West, Inc., the lowest responsive and responsible bidder, a one-year contract with three one-year renewal options for repair, maintenance, and testing services for the City's stationary emergency generators in an amount not to exceed \$857,478 for the four year period; and 2) authorizing the City Manager or the City Manager's designee to execute the contract specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).

Contacts: Keith Leech, Fleet Manager, 808-5869

Presenters: Not applicable

Department: General Services

Division: Fleet Management

Organization No: 13001311

Description/Analysis:

Issue: The Department of General Services, Fleet Management Division, is responsible for maintaining various emergency generators to ensure that they are available to provide backup power to City facilities during emergencies.

Policy Considerations: The recommendations in this report are in accordance with the provisions of City Code Section 3.56.

Committee/Commission Action: Not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA): The current project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA), under Section 15061(b)(3) which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and Section 15301 relating to projects for repairs and maintenance of existing City facilities. The current proposal involves repair, maintenance, and testing for the City's stationary emergency generators.

Sustainability Considerations: Natural gas fueled generators are available if there is sufficient pipeline availability and volume on site.

Rationale for Recommendation: In support of City departments, the Department of General Services, Fleet Management Division is responsible for maintaining various City stationary emergency generators and ensuring compliance with federal, state and local governmental regulations.

On October 8, 2008, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B093246014 for stationary generator repair, maintenance and testing services. Three responses were received. The lowest responsive and responsible bidder was determined to be Cummins West, Inc. A summary of the bid results is provided in Attachment 1.

The City's current provider for stationary generator repair, maintenance and testing services is California Diesel and Power at a cost of approximately \$96,500 per year. The current provider does not provide service for all city generators.

The overall cost of the recommended contract is less expensive when compared to the cost of three City staff members performing the required maintenance in addition to the cost of parts and the rental of load banks for load testing of the generators. Cummins West, Inc. is not charging the City for the rental of the load bank as part of the contract. This contract will be used to augment existing resources to provide necessary testing and services. Additionally, Cummins West, Inc. staff are more familiar with all aspects of the generator systems, engine, generator unit and building switch panels.

This contract will be managed by City staff and staff will facilitate the on-going generator services by using the recommended vendor who has expertise in generator repairs, maintenance and testing.

Financial Considerations: This report recommends awarding and executing a one-year contract with three one-year renewal options with Cummins West, Inc., for generator repair, maintenance and testing services. The estimated annual amounts are

as follows:

Vendor	Year 1 Estimate	Year 2 Estimate	Year 3 Estimate	Year 4 Estimate	Total Contract Amount
Cummins West, Inc.	\$ 198,945	\$ 208,892	\$ 219,337	\$230,304	\$857,478

The potential four year term of this contract will begin in FY2008/09 and conclude in FY2012/13. Pricing for years 2 – 4 will be at the original bid price plus a potential annual price increase not to exceed five percent per contract year to allow for potential labor and commodity increases associated with the maintenance of emergency generators. If the City determines that a proposed contract price increase is not justified then the contract can be terminated and these services rebid. Sufficient funds are available in the Department of General Services, Fleet Management, FY2008/09 operating budget to purchase the required services through June 30, 2009. Purchases after June 30, 2009 are subject to funding availability in the adopted budget of the applicable fiscal year.

Emerging Small Business Development (ESBD): Cummins West, Inc. is not certified as an emerging/small business firm. As of May 31, 2008, the Department of General Services achieved an ESBD percentage of 36.84% for FY2007/08.

Respectfully submitted by:



Keith Leech
Fleet Manager

Approved by:



Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:



Ray Kerridge
City Manager

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Attachment 1

Background Information

Fleet Management is responsible for maintenance and regulatory compliance of facility stationary generators. For many years this has been accomplished through the use of City staff as well as contracted vendors. Typically, the vendor performed the testing and maintenance while City fleet staff performed monthly inspections, battery changes, test runs, etc. This required fleet mechanics to be on the road for approximately 2-4 days per month performing these services, taking them away from vehicle maintenance and repair.

Requirements in this bid were modified from previous bids to potentially free City staff from being used to perform the routine but necessary services required for compliance. This will allow fleet staff to remain focused on the automotive work for which they have been trained while still providing maintenance and compliance of facility stationary generators through a contracted vendor.

In addition to increasing the responsibility of the vendor, requirements were also included for generator installations currently in progress or anticipated installations during the course of this contract.

Fleet Management continuously monitors its operation for opportunities to improve efficiency, and will closely monitor performance under this contract and determine the proper course of action.

Attachment 2

BID RESULTS - BID NO. B093246014

Stationary Emergency Generator Repair, Maintenance, and Testing Services

Bidders	Cummins West, Inc.	California Diesel and Power	Double J Global Services
Total - Items 1 through 18	\$198,945.00	\$216,965.00	492,438.00
ESBE Pref - 5% *	NA	\$10,848.25	NA
Prompt Payment Discount	NA	NA	NA
1% City Limit Preference *	NA	NA	NA
Subtotal	\$198,945.00	\$206,116.75	492,438.00
Bid Evaluation Total*	\$198,945.00	\$206,116.75	492,438.00
Bid Total	\$198,945.00	\$216,965.00	492,438.00

* For bid evaluation purposes only, not a payment discount.

Award of contract to:

Cummins West, Inc.
875 Riverside Parkway
West Sacramento, CA 95691

Total Contract Amount (4 years): \$857,478

No. of E/SBE Bids Solicited	No. of E/SBE Responses	Award to E/SBE Vendor?
1	1	No

**The lowest responsible bid amount of \$198,945 represents the total for the estimated services selected for evaluation purposes only. Authorization is requested to enter into a contract in a total amount not to exceed \$857,478, which includes a 5% increase per contract year to allow for potential labor and commodity increases associated with the maintenance of emergency generators. The total contract amount of \$857,478 more closely reflects the actual amount anticipated to be expended overall for the potential four year contract.

RESOLUTION NO. 2009-XXXX

Adopted by the Sacramento City Council

January 6, 2009

**AWARD CONTRACT FOR STATIONARY GENERATOR REPAIR, MAINTENANCE,
AND TESTING SERVICES**

BACKGROUND

- A. The Department of General Services, Fleet Management Division, is responsible for maintaining various emergency generators to ensure that they are available to provide backup power to City facilities during emergencies.
- B. On October 8, 2008, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B093246014 for generator repair, maintenance, and testing services. Three bidders responded. The lowest responsive and responsible bidder was determined to be Cummins West, Inc.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. Cummins West, Inc. is awarded a one-year contract with three one-year renewal options for stationary emergency generator repair, maintenance, and testing services in an amount not to exceed \$857,478 for the four year period.
- Section 2. The City Manager or the City Manager's designee is authorized to execute the contract specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).