

Meeting Date: 4/5/2016

Report Type: Consent

Report ID: 2016-00352

Title: Contract Supplement No. 1: Allison Transmission Repair and Service

Location: Citywide

Recommendation: Pass a Motion 1) authorizing the City Manager or the City Manager's designee to execute Contract Supplement No. 1 to Contract No. 2014-0311 with Valley Power Systems North for Allison transmission repair and service to: a) extend the contract term for three additional one-year periods through April 3, 2019; and b) increase the contract amount by \$545,504 for a revised total contract amount not to exceed \$745,504 for the potential three-year term provided that sufficient funding is available in the budget adopted for the applicable fiscal year; 2) resetting the City Manager's authority to issue contract supplements; and 3) ratifying prior purchases for Allison transmission repair and services made in FY2015/16 from Valley Power Systems North in the amount of \$73,907.

Contact: Iseña Garcia, Program Specialist, (916) 808-1163; Mark Stevens, Fleet Manager, (916) 808-5869, Department of Public Works

Presenter: None

Department: Public Works Department

Division: Fleet Management

Dept ID: 15003211

Attachments:

1-Description/Analysis

2-Agreement

City Attorney Review

Approved as to Form
Gary Lindsey
3/30/2016 10:35:37 AM

Approvals/Acknowledgements

Department Director or Designee: Jerry Way - 3/15/2016 3:54:07 PM

Description/Analysis

Issue Detail: The Department of Public Works, Fleet Management Division, has an ongoing requirement to provide Allison transmission repair and service for heavy duty vehicles in support of various City departments. On April 1, 2014 City Council passed Motion No. 2014-0063 awarding a two-year contract to Valley Power Systems North in an amount not to exceed \$200,000. Fleet Management has determined that the contract authority of \$200,000 has been exceeded by \$73,907 due to an unanticipated level of transmission repairs and services. This report includes a recommendation to ratify these prior expenditures and execute Contract Supplement No. 1 to extend the contract term and provide additional spending authority.

Policy Considerations: The recommendations in this report are in accordance with City Code Chapter 3.56.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): No environmental review is necessary because the recommendations in this report involve the purchase of transmission repair and service for City vehicles and are not considered to be a project in accordance with Section 15378(b)(2) of the CEQA guidelines.

Sustainability: Not applicable

Commission/Committee Action: None

Rationale for Recommendation: Executing Contract Supplement No. 1 to Contract No. 2014-0311 with Valley Power Systems North for Allison transmission repair and service is recommended because the contract supplement will include the same pricing included in the original contract that was executed two years ago. Ratifying prior purchases in the amount of \$73,907 is recommended because those purchases were made in excess of the contract authority in order to meet an unanticipated level of transmission repairs and services, and to prevent an interruption in City services. The recommended not-to-exceed amount of \$745,504 includes the amount in excess of contract authority plus an estimated \$471,597 through the end of the contract term on April 3, 2019.

Financial Considerations: Sufficient funds are available in the Department of Public Works FY2015/16 operating budget (Fleet Fund, Fund 6501) for Allison transmission repair and service through June 30, 2016. Purchases made after June 30, 2016 are subject to funding availability in the adopted budget of the applicable fiscal year. In determining the recommended spending authority in an amount not to exceed \$745,504 for the potential three-year term, Fleet Management staff reviewed the expenditure history for these services and considered future needs. Expenditures under the recommended contract supplement are estimated to be \$157,199 per year.

Local Business Enterprise (LBE): Valley Power Systems North is not an LBE. The LBE guidelines do not apply because the contract being supplemented was executed prior to the adoption of the current LBE program.

**CONTRACT SUPPLEMENT
(Nonprofessional Services)**

Project Title and Job Number: Allison Transmission Repair and Service (B13131311039)

Date: 2/26/16

Purchase Order #:

Contract Supplement No.:

1

The City of Sacramento ("City") and Valley Power Systems North
("Contractor"), as parties to that certain Nonprofessional Services Agreement designated as Agreement Number
2014-0311, including any prior contract supplements modifying the agreement (the agreement and contract
supplements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as
follows:

1. The scope of Services specified in Exhibit A of the Agreement is amended as follows:

To allow the City to purchase additional Allison transmission repairs and services on an as-needed basis as determined
by the City, the not-to-exceed amount of the contract is increased by \$545,504 for a new total not-to-exceed amount of
\$745,504. The time of performance is extended three additional one-year terms through April 3, 2019.

2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed
amount that is specified in Exhibit B of the Agreement for payment of Contractor's fees and expenses, is
increased by \$545,504, and the Agreement's maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	<u>\$200,000</u>
Net change by previous contract supplements:	<u>\$0</u>
Not-to-exceed amount prior to this contract supplement:	<u>\$200,000</u>
Increase by this contract supplement:	<u>\$545,504</u>
New not-to exceed amount including all contract supplements:	<u>\$745,504</u>

3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above,
shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully
compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with
such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in
the performance of other services or work by Contractor.
4. Contractor warrants and represents that the person or persons executing this contract supplement on behalf of
Contractor has or have been duly authorized by Contractor to sign this contract supplement and bind Contractor to the
terms hereof.
5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and
Contractor shall perform all of the services, duties, obligations, and conditions required under the Agreement, as
supplemented and modified by this contract supplement.

Approval Recommended By:

Approved As To Form By:

Isena Y Garcia
Project Manager

Gary P. [Signature]
City Attorney

Approved By:

Robert Ennesser
Contractor

Attested To By:

Approved By:

City of Sacramento

City Clerk

ACORD₃₃

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/25/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Barney & Barney, A Marsh & McLennan Agency LLC Company, CA License #0H18131 P.O. Box 85638 San Diego, CA 92122		CONTACT NAME: Cyndi Lloyd PHONE (AC, TR, Ext): 925-482-9332 FAX (AC, No): 925-482-9390 E-MAIL ADDRESS: cyndi.lloyd@barneyandbarney.com	
INSURED Valley Power Systems, Inc. 425 South Hacienda Boulevard City of Industry, CA 91745		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Travelers Property Casualty Ins	NAIC # 36161
		INSURER B: Travelers Property Casualty Com	25674
		INSURER C: Berkshire Hathaway Homestate Co	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR CLASS	TYPE OF INSURANCE	ADDL INSR	POLICY NO.	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PER. <input type="checkbox"/> LOC		630525D5839	04/01/2015	04/01/2016	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$300,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMPROP AGG \$2,000,000 \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Drive Oth Car <input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DEF <input type="checkbox"/> RETENTION \$		810525D5839	04/01/2015	04/01/2016	COMBINED SINGLE LIMIT (All persons) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ EACH OCCURRENCE \$ AGGREGATE \$ \$
C	WORKERS COMPENSATION AND EMPLOYER'S LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE/OFFICER/MEMBER EXCLUDED? (Mandatory in HI) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	VAWC600614	04/01/2015	04/01/2016	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

The City of Sacramento, its officials, agents, employees & volunteers are additional insured per the attached endorsement

CERTIFICATE HOLDER The City of Sacramento Human Resources Dept. Risk Management Office 915 1st Street, 4th Floor Sacramento, CA 95814-0000	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Cyndi Lloyd
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Named Insured

Valley Power Systems, Inc. (VPS)
Valley Power Products, Inc. (VPP) (formerly Power for Rent, Inc.)
And formerly (Valley Pacific Detroit Diesel Allison, Inc.)
Valley Power Services, Inc. (VPSI)
Valley Power Systems North, Inc.
Valley Fire Sales & Services, Inc.
Environmental Power Systems, Inc.
Valley DDA Holding, Inc.
VPSI Holding, Inc.
Valley Power Systems Northwest, Inc.
VDDA Holding, Inc.
ADE Holding, Inc.
Alaska Diesel Electric, Inc. (Washington)
Alaska Diesel Electric, Inc. (Alaska)
Power Systems International BV(1)
Northern Lights Power Systems Limited(2)
NL Northern Lights Marine Systems International GmbH(3)
American International Products, Inc. (Inactive)
CRR & B Limited Partnership I
CRR & B Limited Partnership II
CRR & B III, LLC
CRR & B I - II Limited Partnership
CRRB & S, LLC
Lawless Brother, Inc. (Predecessor of Valley Detroit Diesel Allison)
Pacific Share FSC Ltd. (Barbados) (Inactive)
Valley Environmental Services Company, LLC (Inactive)
Valley GM Diesel Holding, Inc. (Inactive)
Valley International Power Company Limited (Inactive)
Valley Investment Services, Inc.
Valley Management Services, Inc.
Valley Pacific Detroit Diesel Allison, Inc.
dba: Valley Pacific Power Center (Inactive)
Valley Power Engr. & Svcs., Inc.
(Formerly Valley GM Power Products, Inc.) (Inactive)
Valley Sales & Leasing Company, LLC
CRBS&M II, LLC
CRBS&M, LLC
Valley Detroit Diesel Allison (now Valley Power Systems)
Northern Lights, Inc
CRSL&N, LLC
Valley Power Systems Southwest, Inc
The Inland Ave 0 324 LP
CRS&M, LLC

- (1)*Dutch Company
(2)*UK Company
(3)*Swiss Company

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**BLANKET ADDITIONAL INSURED
(CONTRACTORS)**

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. WHO IS AN INSURED – (Section II) is amended to include any person or organization that you agree in a "written contract requiring insurance" to include as an additional insured on this Coverage Part, but:
 - a) Only with respect to liability for "bodily injury", "property damage" or "personal injury"; and
 - b) If, and only to the extent that, the injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the "written contract requiring insurance" applies. The person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.
2. The insurance provided to the additional insured by this endorsement is limited as follows:
 - a) In the event that the Limits of Insurance of this Coverage Part shown in the Declarations exceed the limits of liability required by the "written contract requiring insurance", the insurance provided to the additional insured shall be limited to the limits of liability required by that "written contract requiring insurance". This endorsement shall not increase the limits of insurance described in Section III – Limits Of Insurance.
 - b) The insurance provided to the additional insured does not apply to "bodily injury", "property damage" or "personal injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services, including:
 - i. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders or change orders, or the preparing, approving, or failing to prepare or approve, drawings and specifications; and
 - ii. Supervisory, inspection, architectural or engineering activities.
3. The insurance provided to the additional insured by this endorsement is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured for a loss we cover under this endorsement. However, if the "written contract requiring insurance" specifically requires that this insurance apply on a primary basis or a primary and non-contributory basis, this insurance is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured for such loss, and we will not share with that "other insurance". But the insurance provided to the additional insured by this endorsement still is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under such "other insurance".
4. As a condition of coverage provided to the additional insured by this endorsement:
 - a) The additional insured must give us written notice as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, such notice should include:
 - c) The insurance provided to the additional insured does not apply to "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless the "written contract requiring insurance" specifically requires you to provide such coverage for that additional insured, and then the insurance provided to the additional insured applies only to such "bodily injury" or "property damage" that occurs before the end of the period of time for which the "written contract requiring insurance" requires you to provide such coverage or the end of the policy period, whichever is earlier.

COMMERCIAL GENERAL LIABILITY

- i. How, when and where the "occurrence" or offense took place;
 - ii. The names and addresses of any injured persons and witnesses; and
 - iii. The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b) If a claim is made or "suit" is brought against the additional insured, the additional insured must:
- i. Immediately record the specifics of the claim or "suit" and the date received; and
 - ii. Notify us as soon as practicable.
- The additional insured must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c) The additional insured must immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.
- d) The additional insured must tender the defense and indemnity of any claim or "suit" to

any provider of "other insurance" which would cover the additional insured for a loss we cover under this endorsement. However, this condition does not affect whether the insurance provided to the additional insured by this endorsement is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured as described in paragraph 3. above.

5. The following definition is added to SECTION V. - DEFINITIONS:

"Written contract requiring insurance" means that part of any written contract or agreement under which you are required to include a person or organization as an additional insured on this Coverage Part, provided that the "bodily injury" and "property damage" occurs and the "personal injury" is caused by an offense committed:

- a. After the signing and execution of the contract or agreement by you;
- b. While that part of the contract or agreement is in effect; and
- c. Before the end of the policy period.