



REPORT TO COUNCIL

6

City of Sacramento

915 I Street, Sacramento, CA 95814-2604

www. CityofSacramento.org

Consent

November 20, 2007

**Honorable Mayor and
Members of the City Council**

Title: Contract Award for Purchase of Generator Sets (PN: ZK06 and ZJ96)

Location/Council District: The E.A. Fairbairn Water Treatment Plant (FWTP) is located at 7501 College Town Drive within Council District 3. The Sacramento River Water Treatment Plant (SRWTP) is located at 1 Water Street within Council District 1. See Attachment 2 for a map of both projects.

Recommendation: Adopt a **Resolution** 1) approving the contract specifications for the purchase of two emergency generators for the FWTP Switchgear Upgrade project and the SRWTP Switchgear Replacement project; and 2) awarding the contract for the purchase of the two emergency generators to Nevada Energy Systems Inc. for an amount not to exceed \$1,054,389.07.

Contact: David L. Brent, Engineering Services Manager, 808-1420; Dave Hansen, Supervising Engineer, 808-1421.

Presenters: Not applicable

Department: Department of Utilities

Division: Engineering Services

Organization No: 3332

Description/Analysis

Issue: The existing generators at each water treatment are antiquated and difficult to maintain. This equipment can no longer be supported as replacement parts are difficult to find or no longer available. These generators are used to provide electrical power during a SMUD power outage and are therefore an extremely important part of the operation of these water treatment plants. Without electrical power the City can't produce clean drinking water for the residents of Sacramento. Therefore, new emergency generators will be installed to provide reliable backup power during a SMUD power outage.

The FWTP switchgear upgrade and SRWTP switchgear replacement projects will include modifications and upgrades to the existing switchgear and replacement of the emergency generators. Since the generators can take up to 400 days to be delivered to the City, these units are being purchased now. After they arrive, they will be installed under another contract by an electrical contractor, which is scheduled to take place in the fall of 2008.

Policy Considerations: The requested action is in conformance with City Code Chapter 3.56, Article III, which provides that the City Council may award competitively bid contracts to the lowest responsible bidder. This report's recommendation is consistent with the City's Strategic Plan goals of improving and expanding public safety.

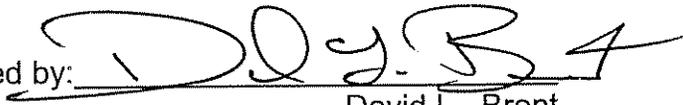
Environmental Considerations: Not applicable.

Rationale for Recommendation: Without reliable backup electrical power the City can't produce clean drinking water for the residents of Sacramento during a SMUD power outage. Therefore, new emergency generators will be installed to ensue that the City can provide clean drinking water during a SMUD power outage.

Financial Considerations: The cost of each generator will be charged to its respective CIP. The cost for the FWTP generator is \$529,349.54 including sales tax and delivery. The FWTP Switchgear Upgrade project (PN: ZJ96, fund 413) has sufficient funding to purchase this generator.

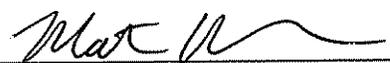
The cost for the SRWTP generator is \$525,039.53 including sales tax and delivery. The SRWTP Switchgear Replacement project (PN: ZK06, fund 413) has sufficient funding to purchase this generator. The total cost of both generators, including sales tax and delivery is \$1,054,389.07.

Emerging Small Business Development (ESBD): Nevada Energy Systems Inc. is not certified with the City of Sacramento as an emerging or small business enterprise. None of the other bidders were certified either.

Respectfully Submitted by: 
David L. Brent
Engineering Services Manager

Approved by: 
Gary A. Reents
Director of Utilities

Recommendation Approved:


Ray Kerridge
City Manager

Don

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Background

The E.A. Fairbairn and Sacramento River water treatments plants are used to supply the residents of the City of Sacramento with clean drinking water. These two plants account for 85% of the City's water supply. Both plants contain dual SMUD feeders for redundancy. In addition, each plant is outfitted with an emergency generator that is used to provide electrical power during a SMUD power outage.

The existing generators were purchased from the Department of Defense and installed in the early 1990's. These generators were originally used by the US Navy and sold to the City as surplus units. The generators are antiquated and difficult to maintain, as replacement parts are difficult to find or no longer available. In addition, these generators are started manually and it can take up to 2 hours for a crew of two to get each unit running during a power outage. The new generators will start automatically without any personnel being present.

Without reliable backup electrical power the City can't produce clean drinking water for the residents of Sacramento during a SMUD power outage. Therefore, new emergency generators will be installed to ensue that the City can provide clean drinking water during a SMUD power outage. In addition, the City combined both projects into one bid to obtain better pricing on the purchase of two emergency generators versus purchasing individual units.

Once the generators are delivered to the City by Nevada Energy Systems the Department of Utilities will issue another contract to have these units installed at each water treatment plant. This work will also include the automation of circuit breakers at each plant, which will ensure that each generator starts automatically and provides backup electrical power during a SMUD power failure.

City staff is recommending that City Council accept the low bid from Nevada Energy Systems Inc.

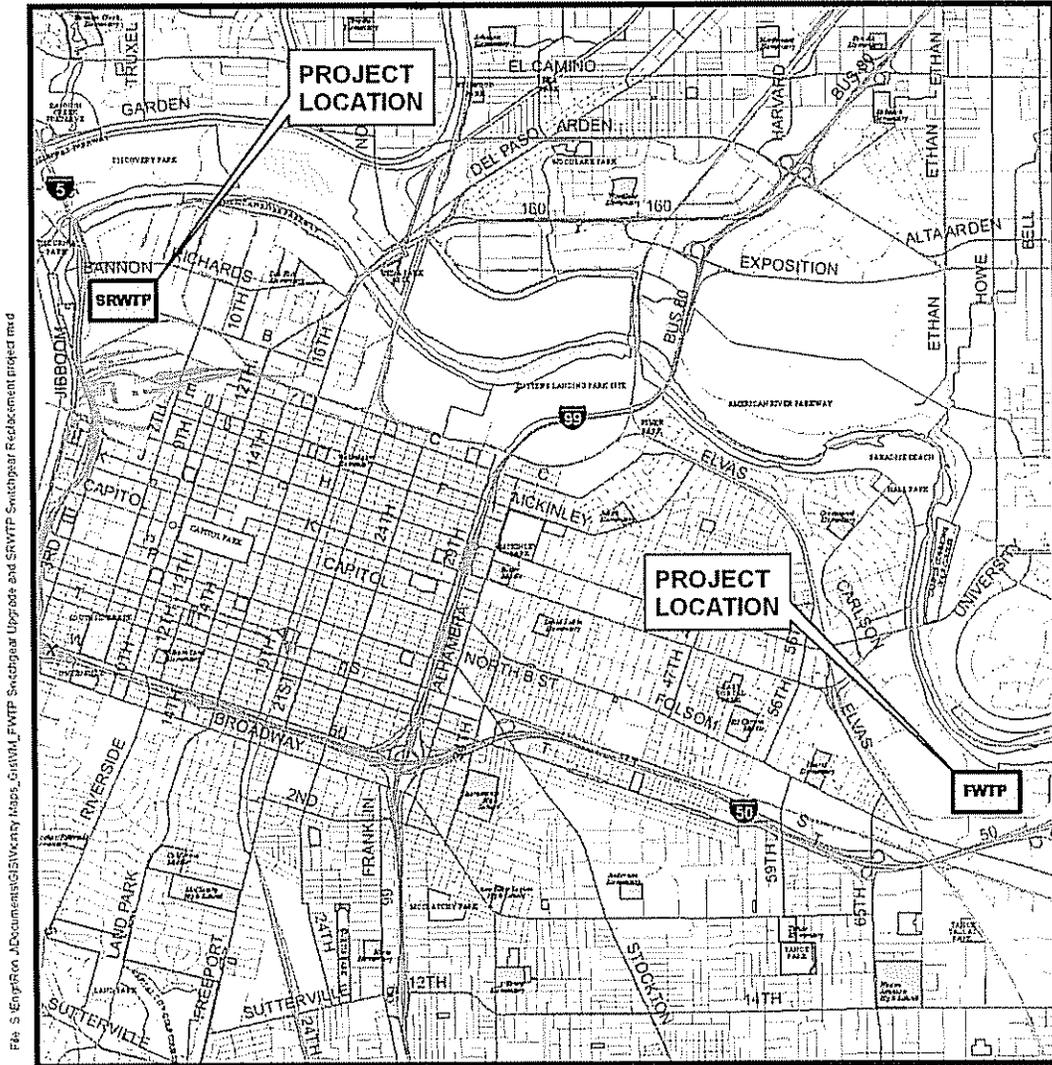
Three bids were opened by the City Clerk on October 17, 2007, and are summarized below:

Contractor	Bid Amount
Nevada Energy Systems Inc.	\$1,054,389.07
Holt of California	\$1,383,855.00
Collicutt	\$1,551,750.25

The engineer's estimate was \$1,200,000.

ATTACHMENT 2

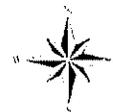
FWTP SWITCHGEAR UPGRADE PROJECT (PN: ZJ96) AND SRWTP SWITCHGEAR REPLACEMENT PROJECT (PN: ZK06)



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Map Prepared By
City of Sacramento
Department of Utilities



RESOLUTION NO.

Adopted by the Sacramento City Council

AWARD CONTRACT FOR THE PURCHASE OF THE TWO EMERGENCY GENERATORS TO NEVADA ENERGY SYSTEMS INC. FOR AN AMOUNT NOT TO EXCEED \$1,054,389.07

BACKGROUND

- A. The existing generators at the Fairbairn Water Treatment Plant (FWTP) and Sacramento River Water Treatment Plant (SRWTP) are antiquated and difficult to maintain. These generators are used to provide electrical power during a SMUD power outage.
- B. The City requested bids for the purchase of two new emergency generators to provide reliable backup power for the FWTP and SRWTP during a SMUD power outage. After the generators are received, they will be installed under another contract by an electrical contractor, which is anticipated to take place in the fall of 2008.
- C. Bids for the purchase of the two generators were received on October 17, 2007. Nevada Energy Systems Inc. was the lowest responsible bidder.

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

- Section 1. The contract specifications for the purchase of Generator Sets (PN: ZK06 and ZJ96) are approved, and the contract is awarded to Nevada Energy Systems Inc. for an amount not to exceed \$1,054,389.07.