



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
May 15, 2007

Honorable Mayor and
Members of the City Council

Title: Award of Contract and Authorization to Amend Agreement for Emergency Generator and Related Equipment Maintenance Testing and Repair Services

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** authorizing the City Manager to award a contract and increase the funding for the agreement resulting from Bid no. B051187039 for Emergency Generator and Related Equipment Maintenance Testing and Repair Services, in a total amount not to exceed \$265,571.38.

Contact: Marc Robles, Program Analyst, Procurement Services, 808-6343
Rowie Sizemore, General Supervisor, Fleet Management, 808-6398

Presenters: None

Department: General Services

Division: Fleet

Organization No: 3259

Description/Analysis

Issue: The bid that was conducted in 2005 to maintain and repair the City's generators contained provisions to provide service on a year-to-year basis for a potential three years. However, the resulting agreement to the awarded vendor mistakenly stated a total amount not to exceed \$65,571.38, which was an annual estimated usage based on the evaluation total of the bid, rather than the overall three year estimate, which is over \$200,000. Staff is now requesting City Council approval to enter into a supplemental agreement to properly fund the required services.

Policy Considerations: This recommendation is consistent with the requirements for competitive bidding as detailed in Sacramento City Code 3.56. The Equal Benefits Ordinance (EBO) and the Living Wage Ordinance (LWO) are applicable to this agreement and the contractor has affirmed its intent to comply.

Signed Declarations of Compliance are on file in the Procurement Services office. Additional funding for this supplemental agreement, per staff recommendation, will exceed the City Manager's contracting authority of \$100,000. Therefore, in accordance with City policy, City Council approval is required. The recommendations in this report are consistent with the City's Strategic Plan goals to improve and expand public safety and achieve sustainability and livability.

Environmental Considerations: None

Commission/Committee Action: None

Rationale for Recommendation: Fleet Management is responsible for maintaining the City's generators, some of which will be called on in the event of an emergency. In addition, Fleet Management is also responsible for air quality management compliance issues for all City generators. Emergency generators have been purchased by the City to combat power outages experienced during past floods and it has become difficult to internally manage routine maintenance and testing. Also, the Sacramento Metropolitan Air Quality Management District (SMAQMD) has more stringently enforced air quality requirements for generators in recent years. To better maintain these generators and comply with SMAQMD requirements, Bid no. B051187039 was conducted for maintaining, testing and repair of generators and related equipment to maintain air quality compliance and readiness. The City awarded a contract in 2005 and established Agreement no. 2005-1037. However, the contract amount has now been exceeded but the term remains valid through October 2008. This report requests permission to increase funding for this agreement to allow for the continuance of services through the end of the term.

The vendor, California Diesel and Power, is certified as a small business enterprise, maintains a location within the City limits and has provided good service at a very reasonable cost. The next lowest bid was more than double the bid submitted by California Diesel and Power. Therefore, staff recommends this agreement be funded an additional \$200,000 to exercise the extensions allowed in the bid through October 2008.

Financial Considerations: No additional budget augmentation will be required for these services as sufficient funds are available in the General Services operating budgets to fund generator repairs and services on an as needed basis.

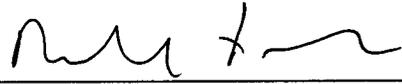
Emerging Small Business Development (ESBD): California Diesel and Power is certified as a small business enterprise with the City of Sacramento.

Respectfully Submitted by:



Chris Stewart
Procurement Services Manager

Approved by:



Russell Fehr
Director of Finance

Recommendation Approved:

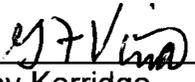

Ray Kerridge
City Manager

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Attachment 1

RESOLUTION NO.

Adopted by the Sacramento City Council

AUTHORIZATION TO AWARD A CONTRACT AND AMEND AGREEMENT NO. 2005-1037 FOR EMERGENCY GENERATOR AND RELATED EQUIPMENT MAINTENANCE TESTING AND REPAIR SERVICES IN A TOTAL AMOUNT NOT TO EXCEED \$265,571.38

BACKGROUND

- A. In an effort to better maintain and test the City's emergency generators to ensure air quality compliance and the continued readiness of these generators, bids were solicited in 2005 to select a vendor to provide these services to the City. California Diesel and Power was the lowest responsible bidder.
- B. The resulting agreement to maintain and repair the City's generators contained provisions to provide service for three years. However, the agreement contained a total amount not to exceed \$65,571.38, which was based on the evaluation total of the bid, rather than anticipated usage. Council approval was not required for this amount as it did not exceed \$100,000.
- C. Staff now recommends that the City Council award a contract and authorize the City Manager to amend this agreement by an additional \$200,000 to allow for the agreement to remain in force through October 2008.

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

- Section 1. The contract for emergency generator and related equipment maintenance testing and repair services is awarded to California Diesel and Power, 150 Nardi Lane, Martinez, CA, in an amount not to exceed \$265,571.38.
- Section 2. Authorize the City Manager to increase funding for Agreement no. 2005-1037 in an amount not to exceed \$200,000, to allow for the continuation of services through October 2008, which is the full agreement term.