



Agenda Report

December 14, 2020

TO: Honorable Mayor and City Council
FROM: Department of Public Works
SUBJECT: **CONTRACT AWARD TO AFFORDABLE GENERATOR SERVICES, INC. FOR GENERATOR MAINTENANCE AND REPAIR FOR AN AMOUNT NOT TO EXCEED \$437,750 FOR UP TO FIVE YEARS**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
2. i) Accept the bid dated November 10, 2020, submitted by Affordable Generator Services, Inc. (AGS) for Generator Maintenance and Repair; ii) reject all other bids; and iii) authorize the City Manager to enter into a contract with AGS for an amount not to exceed \$262,650 (which includes a \$7,650 contingency) over a three-year period with the option for two additional one-year extensions in the annual amount of \$87,550 (which includes a \$2,550 contingency), at the discretion of the City Manager, for a maximum total contract length of five years and a total contract amount of \$437,750.

BACKGROUND:

The Department of Public Works, Building Systems and Fleet Management Division (BSFMD) requires qualified firms to perform inspection, maintenance, and repair services on twenty City-owned diesel powered generators. These generators come in various sizes and power capacities ranging from 50 KW to 500 KW and support back-up emergency and non-emergency power generation to City facilities and department buildings including City Hall, Police Department, Health Department, Public Works Facilities, and Fire Stations.

Preventative maintenance and repair services include greasing bearings, checking fluid levels, filling oil and coolant, replacing unit components, verifying condition of batteries and charging systems, inspecting hoses and clamps, diagnosing diesel injection pump and fuel injector, and other unit services or as needed repairs. As part of the proposed

contract, the vendor will also provide vital periodic testing of each unit's load bank and automatic transfer switch. Both testing will simulate power outage and verify each generator's capability to meet real-life power system demands and electrical loads.

BSFMD has historically repaired and maintained the generators through purchase orders on an as-needed basis, supplemented with fleet staff resources for basic maintenance. Currently 70% of the generators are now over 20 years old and require an increase in inspections, testing, regular maintenance and repairs in order to prevent failures and for meeting AQMD regulatory compliance. All these services performed timely and at regular intervals are crucial to ensuring that the City's generators are well-maintained to prevent potentially larger repairs and costs in the future and more importantly that these generators are kept fully operational and in good working condition to provide adequate supply of power during planned or unplanned power outages.

On October 15, 2020, a Notice Inviting Bids for Generator Maintenance and Repair was published in the paper as well as posted in PlanetBids. The posting generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of thirty-eight vendors downloaded the bid documents of which two were local. Five non-local vendors submitted bid responses by the bid closing date of November 10, 2020. Staff also referenced a list of local vendors in the City's business license database as well as online web searches in an attempt to reach potential local vendors. Of the local businesses contacted, none could provide the type and scope of work necessary as outlined in the bid specification.

BID RESULT:

Per bid specification, the bid table comprised of pricing for periodic inspection, testing, maintenance, hourly labor rate for repair and emergency services, and daily generator rental. With routine services in place, actual rental needs are expected to be minimal. The bid amount submitted below reflects pricing for preventative maintenance, repair services, and daily rental of all generators.

Bids received by the bid closing date of November 10, 2020 are as follows:

<u>Bidder</u>		<u>Bid Amount (\$)</u>
1. Affordable Generator Services, Inc.	Santa Fe Springs, CA	\$135,116
2. Global Power Group, Inc.	Lakeside, CA	\$260,556
3. Odyssey Power Corporation	Anaheim, CA	\$307,077
4. Certified Power Systems, Inc.	Whittier, CA	\$413,883
5. Duthie Power Services	Long Beach, CA	Non-Responsive

AGS is headquartered in Santa Fe Springs, CA and is the current vendor providing as-needed service and repairs to the generators. The City has been doing business with AGS since 2018, spending an aggregate total of \$178,999 for various generator-related

maintenance and repair services. Based on actual and projected service frequency and necessary level of service, the annual amount needed is estimated at \$85,000.

Since AGS is the lowest responsive and responsible bidder, staff recommends that AGS be awarded a three year contract term with an option for two one-year extension period, renewable at the discretion of the City Manager.

The contract amounts will be set as follows:

	Year 1 to 3	Year 4 Optional 1 st Extension	Year 5 Optional 2 nd Extension
Base Bid	\$ 255,000	\$ 85,000	\$ 85,000
Contingency Allowance	<u>\$ 7,650</u>	<u>\$ 2,550</u>	<u>\$ 2,550</u>
	\$ 262,650	\$ 87,550	\$ 87,550
		TOTAL	<u>\$ 437,750</u>

The contingency allowance is to cover Consumer Price Index adjustments.

COUNCIL POLICY CONSIDERATION:

This purchase supports the City Council's strategic goal to maintain fiscal responsibility and stability; and ensure public safety.

ENVIRONMENTAL IMPACT:

This action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment.

FISCAL IMPACT:

The cost of this contract is \$262,650 and the total cost of this action will be \$437,750. Funding will be addressed by the utilization of existing budgeted appropriations from the Fleet Maintenance & Repair Fund budget account 51122058-823600. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



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Director of Public Works

Prepared by:



Mark McCullough
Public Works Administrator (BSFMD)

Approved by:



STEVE MERMELL
City Manager