

Agenda Report

October 17, 2022

TO: Honorable Mayor and City Council
FROM: Department of Public Works
SUBJECT: AUTHORIZATION TO AMEND CONTRACT NO. 31946 WITH AFFORDABLE GENERATOR SERVICES, INC. FOR A TOTAL AMOUNT NOT-TO-EXCEED \$622,750 FOR GENERATOR MAINTENANCE AND REPAIR SERVICES

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;
2. Authorize the City Manager to amend Contract No. 31946 with Affordable Generator Services, Inc. (AGS) by \$37,000 annually for generator maintenance and repair services; increasing the not-to-exceed amount to \$373,650 for the three-year term and increasing the not-to-exceed amount for the optional two one-year extensions to a revised amount of \$124,550 annually for a total not-to-exceed amount of \$622,750 for a five year term if all options are exercised; and
3. As this is not considered a separate procurement subject to the Competitive Bidding and Competitive Selection process, under City Charter Section 1002(F) grant the proposed exemption as the contract is for professional or unique services and grant the exemption under Pasadena Municipal Code (PMC) 4.08.049(B) as the contract is in the City's best interests are served.

BACKGROUND:

On December 14, 2020, the City Council authorized a contract with AGS in the amount of \$437,750 for a five year contract as a result of competitive bidding process for inspection, maintenance, and repairs services for the twenty City-owned diesel powered generators ranging in size and power capacities. Most of these generators are over 10 years old and are utilized to support back-up emergency and non-emergency power generation to City facilities and department buildings.

Under Contract No. 31946, AGS provides maintenance and repair for generator services which has increased in frequency due to periodic inspection and testing that has identified necessary repairs and/or replacement of generator components. The repairs ensure these aging equipment remain in compliance and function reliably to meet power system demands and electric load during actual power outage.

The proposed increase will allow additional funding for repairs, upgrades, fuel polishing and/or replacement of essential support components such as Automatic Transfer Switches, and will help mitigate the decreased purchasing power due to price escalation of parts related to the ongoing supply chain issues in the market. Additionally, in cases where the City generator is placed out of service for critical repairs, the proposed increased funding will give allowance for rental generators estimated at \$1,500 per day.

Current expenditures to date and projected costs are expected to exceed the current not-to-exceed contract amount of \$87,550 per year. As a result, staff is recommending an increase by \$37,000 annually. The proposed total not-to-exceed contract amount will be \$373,650 for the initial three year term expiring on January 31, 2024 and the proposed annual amount will be \$124,550 for each of the two additional one-year extensions.

The proposed contract increase will be set as follows:

	Year 1 to 3	Year 4 Optional 1 st Extension	Year 5 Optional 2 nd Extension
Original Base Bid	\$ 255,000	\$ 85,000	\$ 85,000
Contract Increase	<u>\$ 111,000</u>	<u>\$ 37,000</u>	<u>\$ 37,000</u>
Revised Base Bid	\$ 366,000	\$ 122,000	\$ 122,000
Contingency Allowance	<u>\$ 7,650</u>	<u>\$ 2,550</u>	<u>\$ 2,550</u>
	\$ 373,650	\$ 124,550	\$ 124,550
		GRAND TOTAL	\$ 622,750

COUNCIL POLICY CONSIDERATION:

This authorization 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 revised total cost of this contract is \$373,650 and the revised total cost of this action will be \$622,750. 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,



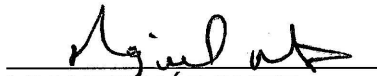
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Approved by:



MIGUEL MÁRQUEZ
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