



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JULY 24, 2018

FROM: GENERAL SERVICES DEPARTMENT WARD: ALL

SUBJECT: REQUEST FOR PROPOSALS NO. 1763 - SERVICES AGREEMENT WITH COLLICUTT ENERGY SERVICES, INC. FOR GENERATOR MAINTENANCE SERVICES FOR GENERAL SERVICES DEPARTMENT FLEET MANAGEMENT DIVISION IN THE AMOUNT OF \$106,904.49 ANNUALLY AND AUTHORIZE UP TO AN ADDITIONAL \$50,000 ANNUALLY FOR ON-CALL REPAIR SERVICES AS NEEDED FOR THE INITIAL 24 MONTH TERM OF JULY 1, 2018 THROUGH JUNE 30, 2020 IN THE TOTAL AMOUNT OF \$313,808.98

ISSUES:

Approve a Services Agreement with Collicutt Energy Services, Inc., Santa Fe Springs, California, in response to Request for Proposal No. 1763 for generator maintenance services for the General Services Department Fleet Management Division in the amount of \$106,904.49 annually; and authorize up to an additional \$50,000 annually for on-call repair services as needed for the initial 24 month term of July 1, 2018 through June 30, 2020 in the total amount of \$313,808.98.

RECOMMENDATIONS:

That the City Council:

1. Approve a Services Agreement with Collicutt Energy Services, Inc., Santa Fe Springs, California, in response to Request for Proposal No. 1763 for generator maintenance services for the General Services Department Fleet Management Division in the amount of \$106,904.49 annually and authorize up to \$50,000 annually for additional on-call repair services as needed for an initial 24 month term of July 1, 2018 through June 30, 2020 in the total amount of \$313,808.98; and
2. Authorize the City Manager, or his designee, to execute the Services Agreement including making any minor, non-substantive changes, and execute up to three (3) additional one-year terms subject to the same terms and conditions of the original Contract.

BACKGROUND:

The General Services Department Fleet Management Division (Fleet Division) manages a mixed fleet comprised of 1,800 vehicles and various equipment. Included in this total are nearly

45 stationary and portable generators located throughout the City of Riverside (City) and outlying areas. The stationary generators provide emergency backup power to various City facilities during power outages.

On October 12, 2017, the Finance Department issued Request for Proposal (RFP) No. 1763 for generator maintenance services. Seven (7) vendors responded to the RFP and the City selected Collicutt Energy Services, Inc., of Santa Fe Springs, CA as the most qualified, responsive proposal to meet the objectives of the RFP.

DISCUSSION:

Generator maintenance servicing is a specialized service function and Fleet Management does not have various manufacturer/factory training, specialty equipment, or staff necessary to properly provide ongoing testing and maintenance specific to on site generators to ensure safe and reliable transfer of power and operation. Currently, basic generator maintenance is performed by Central Garage staff on a weekly basis and the following services are performed as needed: Oil change and lubrication, filter change, inspection of the cooling system, visual inspection and ensuring the generator is fully operational. If staff is not available, the work is sublet to various local contractors.

Current Generator Testing

When generator maintenance is done by staff or local contractors, the following services are not performed due to lack of specialized training, equipment and/or logistical challenges:

1. Load testing – performed to determine a system's behavior under both normal and anticipated peak load conditions and verify power output ratings.
2. Transfer switch testing – transfers building load onto the generator for the duration of the generator test in order to comply with UL standards to measure and validate performance and safety.
3. Fuel polishing – a fuel cleaning process to remove water, bacteria and other impurities from generator fuel that sits for long periods of time.

The circumstances above result in service levels below industry standards for maintenance of generators due to lack of training, testing, tools and equipment necessary to perform these tasks. It is critical that standby generators function as intended to ensure safe and reliable power during unforeseen service interruptions.

Repair and Maintenance Costs

In the last year, \$27,904 was spent on requests for various generator failures. This amount does not include preventative maintenance, which was \$31,570 for the same period last year. In addition to repair costs, additional costs are expected when the generators are managed by a professional service and maintenance contractor due to:

1. The generators vary in age from nine (9) to thirty-seven (37) years old and require equipment upgrades to function properly.

2. Routine preventative maintenance will include load and transfer switch testing. Additional equipment repairs are anticipated in order for a portion of the generators to be fully operational.
3. Fuel polishing will be done on the generators. This service has never been done on the generators due to lack of the required equipment to perform this task.
4. Response to after-hours service calls and emergency repairs are expected.

In order to ensure ongoing industry standard service and maintenance of this equipment with various locations, makes and models, the services of a vendor who specializes in this work is necessary.

Collicutt Energy, Inc., has provided generator maintenance services for twenty-five (25) years and has worked with the make and model of generators used in the City. This vendor will be required to ensure emergency power readiness to all City-owned generators.

The RFP scope of services estimates ten (10) on-call repairs may be needed in addition to regular maintenance services. The vendor will provide all personnel, parts, materials, tools and services to perform this repair work as needed in an estimated annual amount of \$50,000.

The Purchasing Manager concurs that the recommendation to award RFP No. 1763 to Collicutt Energy, Inc. is in compliance with Purchasing Resolution 23526.

FISCAL IMPACT:

The fiscal impact of this action is \$313,808.98. Sufficient funds are available in the FY 2018-20 Fleet Fund (650) Sublet Repairs account 2215000-424250.

Prepared by: Carl Carey, General Services Director
Certified as to
availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Gary G. Guess, City Attorney

Attachments:

1. RFP 1763 Recommendation
2. Services Agreement with Collicutt Energy, Inc.