



City Council Report

Date: November 4, 2019
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: One-Year Renewal with a One-Year Renewal Option to the Term Contract for Major Repair Services for Caterpillar Generators for the Water Resources, Energy Resources and Parks, Recreation and Community Facilities Departments **(Citywide)**

Recommendation

Council is requested to approve the award as recommended.

The Water Resources, Energy Resources and Parks, Recreation and Community Facilities Departments and Purchasing recommend authorizing the renewal using the Omnia Partners (formerly National IPA), City of Tucson cooperative contract with Empire Southwest dba Empire Power Solutions (a Mesa business) at \$270,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This contract provides required OEM scheduled maintenance, diagnostic and repair services for Caterpillar emergency generators. OEM scheduled maintenance includes the OEM scheduled maintenance services, quarterly include full system inspections, annual full oil service, annual 2-hour resistive load bank, and annual fuel sample analysis.

Water Resources has been using this contract since 2017. The department has a highly complex generator at the Northwest Water Reclamation Plant. The department has been satisfied with the vendor's performance. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

In October of 2019, Energy Resources and Parks, Recreation and Community Facilities requested and Purchasing added them as authorized departments to use this contract. Electric Utility has three Caterpillar emergency generators, and Facilities Maintenance has Caterpillar generators in various City facilities, that require these OEM services.

The City of Tucson awarded a contract to Caterpillar, Inc. that allows for cooperative use and meets the City's procurement requirements. Using the cooperative contract provides volume-based pricing that is beneficial to the City. It's in the City's best interest to use this cooperative contract.

The servicing and repair of Caterpillar generators is proprietary and can only be completed by an authorized Caterpillar Distribution and Service Center. Empire Power Solutions is

the only one in this geographic area. Empire Power Solutions is the only local firm that can access Caterpillar operating software and provide Caterpillar certified service.

Purchase Information

Action: Renewal (1st of 2 possible)

Procurement Type: Cooperative Contract Use

Contract Number: 2018034

Contracting Agency and Contract Number: Omnia Partners (formerly National IPA), City of Tucson / 161534

Local Consideration: Policy did not apply to this procurement method

Initial Contract Term: Three years

Possible Renewals: One-year renewal subject to City of Tucson, Administrative review and approval

Funding Source: Water Resources Department operating budget (Wastewater Operations and Maintenance) \$200,000, Energy Resources Department - Electric Utility operating budget through the Enterprise Fund – Electric Sub Fund \$20,000, and Parks Recreation and Community Facilities Department – Facilities Maintenance operating budget \$50,000