



City Council Report

Date: July 3, 2023
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Three-Year Term Contract with Two Years of Renewal Options for Caterpillar Generator Diagnostic, Maintenance and Repair Services for the Water Resources and Energy Resources Departments **(Citywide)**

Recommendation

Council is requested to approve the award as recommended.

A committee representing the Water Resources Department and Purchasing evaluated responses. The evaluation committee recommends awarding the contract to the single, qualified respondent, Empire Southwest, LLC dba Empire Power Systems at \$450,000 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

Background / Discussion

This contract will provide required OEM scheduled maintenance, diagnostic and repair services for Caterpillar (CAT) emergency generators. Maintenance includes OEM scheduled maintenance services quarterly including full system inspections, annual full oil service, annual 2-hour resistive load bank, annual fuel sample analysis and fueling, and operating system software diagnostics, updates, and upgrades as needed at facilities throughout the City for the Utilities Departments.

The servicing and repair of CAT generators is proprietary and can only be completed by an authorized CAT distribution and service center. Empire Power Solutions is the only one in this geographic area and the only local firm that can access CAT operating software and provide CAT certified service. Using a non-authorized CAT service center risks damage to the generator which can be costly, shorten the overall life of the generator or result in on-going operational issues.

The City solicited Request for Proposals (RFP) from approximately 50 potential vendors, including CAT and their authorized reseller and service provider, Empire Southwest. Realizing this is a limited-service area, the RFP was issued to establish a contract with favorable terms and conditions for the City. The City received a single proposal response and a No Bid Response.

Since only one response was received, the City was unable to perform a comparative analysis. After reviewing the offeror's response, the evaluation committee deemed the proposal as qualified and responsive to all the contract requirements and specifications. Award is recommended to the single, qualified respondent.

The Department has been doing business with Empire Power Systems for more than ten (10) years and is satisfied with their performance.

Purchase Information

Action: Award

Procurement Type: Request for Proposals

Contract Number: 2023190

Local Consideration: Policy did not apply to this procurement method

Protests Received: None

Initial Contract Term: Three Years

Possible Renewals: Up to a maximum of two years subject to Administrative review and approval

Funding Source: Water Resources Department operating budget through Enterprise Funds – Water and Wastewater and Greenfield WRP Joint Venture (Operations and Maintenance)

Proposal Responses

Empire Southwest, LLC dba Empire Power Systems - Phoenix, AZ

No-Bid response received from:

Communication Power Solutions, Inc.