



# City Council Report

**Date:** August 24, 2020  
**To:** City Council  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** Dollar Limit Increase to the Term Contract for Major Repair Services for Caterpillar Generators for the Water Resources, Energy Resources and Parks, Recreation and Community Facilities Departments as requested by the Water Resources Department **(Citywide)**

## Recommendation

Council is requested to approve the contract amendment as recommended.

The Water Resources Department and Purchasing recommend increasing the dollar limit using the Omnia Partners (formerly National IPA), City of Tucson cooperative contract with Empire Southwest dba Empire Power Solutions (a Mesa business) by \$170,000, from \$270,000 to \$440,000 for Year 4, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

## Background / Discussion

This contract provides required Original Equipment Manufacturer (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 requested an increase of \$170,000 for Year 4, to allow for the replacement of the existing generator controls and system operating software for the Brown Road Water Treatment Plant (BRWTP) emergency generators. The design work and fabrication of parts will be initiated early September and is expected to take approximately 12 to 16 weeks. The work on the generator is expected to be performed during the next plant shutdown scheduled from 1/8/2021 through 2/5/2021.

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: Amendment  
Procurement Type: Cooperative Contract Use

Contract Number: 2018034

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

Original Council Renewal Award Date: 9/11/2017

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) \$370,000, 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

Dollar Limit History

Council Renewal Award 11/4/2019:	\$270,000.00
Dollar Limit Increase for Year 4 – 8/24/2020:	<u>\$170,000.00</u>
New Contract Value (Year 4 through 4/30/2021):	<u>\$440,000.00</u>