



City Council Report

Date: September 11, 2017
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Three-Year Term Contract for Major Repair Services for Caterpillar Generators for the Water Resources Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve the Term Contract for Major Repair Services for Caterpillar Generators at Water Resources Facilities as recommended.

Water Resources and Purchasing recommend awarding the contract using the City of Tucson National Intergovernmental Purchasing Alliance (IPA) cooperative contract with Empire Southwest LLC dba Empire Power Solutions (a Mesa business) at \$200,000.00 annually, based on estimated requirements.

Background / Discussion

This contract will provide major repairs for Caterpillar generators that fall outside the scope of our contract for routine maintenance and minor repairs. A significant number of the generators located in water and wastewater facilities, to provide standby power and/or peak shaving, are Caterpillar generators. When troubleshooting complex operational issues or providing major repairs is necessary, it's imperative to use an authorized representative to resolve the issue and/or provide repair services. Using a provider other than an authorized Caterpillar Service Center risks damage to the generator which can be costly, shorten the overall life of the generator or result in ongoing operational issues.

The City of Tucson awarded a contract to Empire Southwest LLC dba Empire Power Solutions 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.

Alternatives

Council may choose not to authorize the contract.

Fiscal Impact

The annual contract amount is funded by the Water Resources Department operating budget.

Coordinated With

Water Resources and Purchasing

PURCHASING INFORMATION

Action: Award

Procurement Type: Cooperative Contract Use

Contracting Agency: City of Tucson National IPA

Contracting Agency Contract Number: 161534

Mesa Contract Number: 2018034

Initial Contract Term: Three-Year

Possible Renewals: Tucson's contract has an initial term of one year with four, one-year renewals

Intent: Staff will award the initial term of one year and administratively renew in one-year periods subject to Tucson renewing its contract for up to three years. Any further renewals would be subject to Council consideration.

AWARD RECOMMENDATION

***Empire Southwest LLC dba Empire Power Solutions
Mesa, AZ***

Description
Major Repair Services for Caterpillar Generators at Water Resources Facilities per Contract No. 2018034 and City of Tucson National IPA Contract No. 161534 Annual Contract Amount: <u>\$200,000.00</u>