



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve a Maintenance Service Agreement with Odyssey Power Corporation for Preventive Generator Maintenance and Repair Services for a Total Amount Not to Exceed \$341,182 for a Five-Year Period
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	10/1/2019
Staff Contact:	Chris Schroeder, 408-586-3161 and Tony Ndah, 408-586-2602
Recommendation:	Approve an Agreement with Odyssey Power Corporation for preventive generator maintenance and repair Services, for an amount not to exceed \$49,350 in the first year and a total amount not to exceed \$341,182 over the five-year period, subject to annual appropriation of funds.

Background:

The City has a fleet of thirteen (13) stationary emergency generators that are deployed at pump stations and facilities. These generators are used for back-up power for critical facilities such as water and sewer systems, as well as for City Hall, Public Works, Sports Center, and the Police Station and Fire Stations. In the event of a power interruption, these generators automatically turn on, which allows staff to maintain operations of these vital systems and services at City facilities identified below.

Preventive maintenance services performed on the City's generators lessen the likelihood of equipment failure and helps control costs by prolonging each generator's useful life. The intent of this procurement is to provide the City with a dedicated and qualified contractor to augment staff efforts in the performance of preventive generator maintenance and as needed repair services. The agreement is for annual preventive maintenance and repair services for the City's generators at the following locations:

Location	Address
Ayer Water Pump Station	1429 East Calaveras Boulevard
Bellew Storm Pump Station	481 Murphy Ranch Road
City Hall	455 East Calaveras Boulevard
Fire Station 1	777 South Main Street
Fire Station 2	1263 Yosemite Drive
Fire Station 3	45 Midwick Drive
Fire Station 4	775 Barber Lane
Gibraltar Water Pump Station	641 Gibraltar Court
Main Lift Sewage Pump Station	1425 North McCarthy Boulevard
Manor Storm Pump Station	349 Marylinn Drive
Public Works/Police Department	1265 North Milpitas Boulevard
Sports Center	1325 E Calaveras Boulevard
Wrigley Ford Storm Pump Station	75 Marylinn Drive

Analysis:

On June 24, 2019, the Purchasing Division released an Invitation for Bid (IFB) 2354 after collaboration with the Public Works Department to develop a scope of work to perform preventive generator maintenance and repair services at thirteen (13) City locations. IFB 2354 was publicly noticed in accordance with the City's Municipal

Code, advertised on the City's website, and email notifications were sent to companies registered with the City via PublicPurchase.com, the City's eProcurement system. Upon release, 251 firms received the solicitation notification, and 21 firms accessed the IFB package.

The contract specification calls for yearly testing of the generators and basic preventative maintenance service such as checking fluid levels, maintaining all parts in good working condition, changing filters, and making as needed repairs. In addition, the majority of these generators are located in confined spaces requiring special procedures for air testing and monitoring during the maintenance operation.

Major services to be performed under this agreement include:

- Three (3) quarterly preventive maintenance inspections every year;
- One (1) annual preventive maintenance service;
- One (1) annual 2-hour load bank test; and
- Three-year preventive maintenance service during Year 3 of contract.

The Purchasing Division received two proposals by the August 16, 2019 deadline in response to IFB 2354. The Purchasing Agent reviewed the responses and rejected one of the bids due to it being incomplete. Odyssey Power Corporation was the lowest responsible bidder submitting a responsive bid in the amount of \$341,182 for the five-year term, which is within the City's estimate for these services. The cost for the first year of service is \$49,350.

Policy Alternative:

Alternative 1: Direct City staff to provide the required services with in-house resources.

Pros: City maintains control of all the work on its generators.

Cons: City staff has limited resource and would not be able to provide the complete service needs for the generators.

Reason not recommended: The City does not have adequate resources to perform the complete preventive generator maintenance and repair services needed for the City's generators. By utilizing a contractor to augment City staff, all of the City's generators will be serviced on a regular schedule to remain compliant with OSHA standards.

Fiscal Impact:

This project will be funded from the Fiscal Year 2019-2020 operations budget of the Public Works Department for an amount not to exceed \$49,350 in the first year and a total amount not to exceed \$341,182 over the five-year term, subject to annual appropriation of funds by Council during the annual budget process.

The annual compensation over the total five-year term is as follows:

Service Year 1	\$49,350.00
Service Year 2	\$49,350.00
Service Year 3*	\$136,872.00
Service Year 4	\$52,805.00
Service Year 5	\$52,805.00
Total Contract Price	\$341,182.00

* Service Year 3 includes the additional cost for providing backup generators while performing services at Main Lift Pump Station, Ayer Pump Station, and Public Works/Police Department.

California Environmental Quality Act:

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, this action does not qualify as a "project" for the purpose of CEQA as this action has no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Recommendation:

Approve an Agreement with Odyssey Power Corporation for Preventive Generator Maintenance and Repair Services, for an amount not to exceed \$49,350 in the first year and a total amount not-to-exceed \$341,182 over the five-year term, subject to annual appropriation of funds.

Attachment:

Maintenance Service Agreement with Odyssey Power Corporation for Preventive Generator Maintenance and Repair Services.