Council Meeting: October 5, 2010

SUBJECT: Amend an Existing Contract with Peterson Power Systems Inc. for Preventative Maintenance Services (F1009-27)

BACKGROUND
Approval is requested to amend an existing contract with Peterson Power Systems Inc. of San Leandro for preventative maintenance services associated with the Caterpillar engines at the Water Pollution Control Plant's (WPCP) Power Generation Facility (PGF). The requested amendment is to increase the not to exceed value from $90,000 to $145,000, an increase of $55,000.

DISCUSSION
The current Peterson Power Systems contract was established under the City Manager’s contract award authority in February 2009, for a one year period, in an amount not to exceed $90,000. At the time of the expiration date of February 28, 2010, approximately $53,000 remained on the contract, and it was extended for another year to February 28, 2011 in the hopes of “stretching” the balance for an additional year. However, due to an increase in preventative maintenance this past year on the Caterpillar engines, the remaining balance is insufficient to cover the extended period.

Section 2.08.070 (b) of Sunnyvale Municipal Code exempts from competitive bidding those situations where solicitations of bids or proposals would for any reason be impractical, unavailing or impossible. Peterson Power Systems has been designated as the sales, warranty, service and parts provider for Northern California for Caterpillar engines and therefore it would be impractical to bid this service.

FISCAL IMPACT
Total cost to the City for the two-year contract will not exceed $145,000. Budgeted funds are available in Public Works Operating Program 365 Wastewater Management.

PUBLIC CONTACT
Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City’s Web site.
RECOMMENDATION

It is recommended that Council amend the existing contract with Peterson Power Systems Inc. for preventative maintenance services, in substantially the same form as the attached draft change order to increase the not to exceed value from $90,000 to $145,000.

Reviewed by:

Grace K. Leung, Acting Director, Finance
Prepared by: Pete Gonda, Purchasing Officer

Reviewed by:

Marvin Rose, Director of Public Works

Approved by:

Gary M. Luebbers
City Manager

Attachments

A. Draft Change Order
ORDERED FROM

16676 - 001
(510) 895-8400

Peterson Power Systems Inc
2828 Teagarden St
San Leandro, CA 94577

ORDER DATE
ORDER DATE
BILL TO:

2/13/2009
City of Sunnyvale
Finance Department

ACCOUNTS PAYABLE

(510) 895-8400
Accounts Payable
PO Box 3707

City of Sunnyvale

Sunnyvale, CA 94088-3707

EFFECTIVE DATE
EFFECTIVE DATE

2/13/2009

2/13/2009

EXPIRATION DATE
EXPIRATION DATE

2/28/2011

2/28/2011

CONTRACT AMOUNT

$145,000.00

REQUISITIONING DEPARTMENT

(9041) DPW/WPCP - Maintenance

FOB

DEST

PETRO POWER

DESIGNATED DESTINATION, FREIGHT INCLUDED IN PRICE

PAYMENT TERMS

N/30

BID NO

ITEM | DESCRIPTION | UNIT | UNIT COST
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1 | Blanket order for preventative maintenance services to Power Generation Facility (PGF) Caterpillar Engine #1 (Equipment 42300E) and Engine #2 (Equipment 42400E) as required for a one year period. | DLR | $1.0000

Scope of Services
1. Provide routinely scheduled maintenance services
2. Provide emergency and unscheduled repairs
3. Provide parts, as required

Service Rates
1. 1000-hour maintenance service $1792.00/Each

This order replaces BL000495
Purchase Requisition RQ004504

Change Order #1: Extend term of this order through 2/28/2011.
Requisition No. RQ006061

Change Order #2: Increase not to exceed amount from $90,000 to $145,000, an increase of $55,000.
Requisition Number: RQ007106
Approved by City Council 10/5/2010, RTC#

AUTHORIZED DEPARTMENT(S)

NO | DEPT NAME | RELEASE AMOUNT
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9041 | DPW/WPCP - Maintenance | $17,500.00

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DOCUMENT TERMS

This purchase order is subject to the City of Sunnyvale Standard Terms and Conditions for the Purchase of Services, dated 1/15/2000, a copy of which is attached and incorporated by reference (Form #TCBPO-S). Invoices must be sent directly to Accounts Payable at the address above and must reference the purchase order number. Failure to comply will result in a delay in payment processing.

BUYER:

Howard, Dreama

PHONE (408) 730-7396  FAX (408) 730-7710