



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.

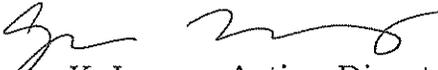
PUBLIC CONTACT

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

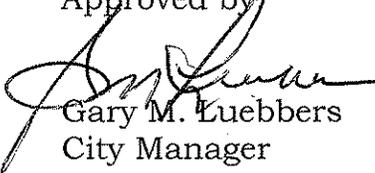
Prepared by: Pete Gonda, Purchasing Officer

Reviewed by:



Marvin Rose, Director of Public Works

Approved by



Gary M. Luebbers
City Manager

Attachments

A. Draft Change Order



ORDERED FROM 16676 - 001 Peterson Power Systems Inc 2828 Teagarden St San Leandro, CA 94577 (510) 895-8400	ORDER DATE 	BILL TO: City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale, CA 94088-3707
	EFFECTIVE DATE 2/13/2009	
	EXPIRATION DATE 2/28/2011	
	CONTRACT AMOUNT \$145,000.00	
REQUISITIONING DEPARTMENT (9041) DPW/WPCP - Maintenance	FOB DEST	FREIGHT CHARGES Destination, freight included in price
	PAYMENT TERMS N/30	BID NO

ITEM	DESCRIPTION	UNIT	UNIT COST
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. 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 2. Additional labor rates per the attached Service Chargeout Rate Sheet effective 1/1/2009 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#	DLR	\$1.0000

AUTHORIZED DEPARTMENT(S)		
NO	DEPT NAME	RELEASE AMT
9041	DPW/WPCP - Maintenance	\$17,500.00



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