

EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED: August 19, 2010
ATTENTION: Natural Resources & Culture Committee
Agenda of September 8, 2010
ORIGINATING DEPARTMENT: Public Utilities
SUBJECT: Provide Technical Services and Parts for Caterpillar Engine
Generators and Switch Gear
COUNCIL DISTRICTS: City-wide
STAFF CONTACT: Christopher McKinney (858) 292-6447

REQUESTED ACTION:

1. Authorizing the Mayor, or designee, to award a phase funded contract to Hawthorne Power Systems, per Bid Number 7281-05-B to provide technical services and parts for Caterpillar engine generators and switch gear, provided that the City Comptroller first furnishes a Comptroller's Certificate demonstrating that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer.
2. Authorizing the Chief Financial Officer to expend \$2,326,000 from the Public Utilities Wastewater Operating Fund 700001 for technical services and parts for Caterpillar engine generators and switch gear, contingent upon the approval of the FY 2011 appropriation ordinance.

STAFF RECOMMENDATION: Adopt the Resolutions.

EXECUTIVE SUMMARY:

The Wastewater Treatment and Disposal (WWTD) Division requests approval to award a contract to Hawthorne Power Systems. The proposed contract provides for technical services and parts for Caterpillar engine generators and switch gear. These parts and services are critical for operation and maintenance of engines located in several facilities.

WWTD operates and maintains large engines, generators, and switch gear which supply power to the multiple facilities. Currently, there is one (1) emergency diesel engine/generator at the South Bay Water Reclamation Plant; two (2) digester gas engine/generator sets that meet all the electric demand of the Point Loma Wastewater Treatment Plant (PLWTP) and create revenue via excess energy sales to SDG&E; one (1) emergency diesel engine generator at the PLWTP; and two (2) natural gas engines used to drive two wastewater pumps for surge protection of the Pump Station 2 force mains.

Preventive maintenance, repairs, and necessary parts are required to insure consistent operation of this equipment. WWTD staff provides routine maintenance and repair services. However, overhauls, rebuilds, and some more complex repairs which require more staff are completed by a private vendor. Vendor activities to provide these services are coordinated by City staff to minimize down time.

Hawthorne Power Systems was the only bidder to respond to this bid request. The contract term is two years with three, one-year options to renew. Annual cost increases shall not exceed 5%.

EQUAL OPPORTUNITY CONTRACTING:

This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708). This agreement is subject to the City's Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

FISCAL CONSIDERATIONS:

This action's total cost is \$2,326,000. Funds are available in the FY 2011 operating budget, for an estimated cost of \$1,125,000, contingent upon the approval of the FY 2011 appropriation ordinance. Remaining funding will be available in the FY 2012 operating budget, for an estimate of \$1,201,000, contingent upon the approval of the FY 2012 appropriation ordinance.

PREVIOUS COUNCIL/COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

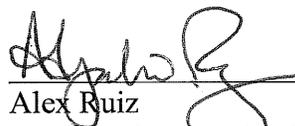
This item will be presented to the Metro Technical Advisory Committee on September 15, 2010 and, the Metro Commission on October 7, 2010.

KEY STAKEHOLDERS:

None.



Ann Sasaki
Assistant Public Utilities Director



Alex Ruiz
Interim Director of Public Utilities