



**DATE:** December 18, 2018

**TO:** Mayor and City Council

**FROM:** Director of Utilities & Environmental Services

**SUBJECT:** Adopt Resolutions (1) Awarding a Contract to AAAA Generator Service, in the amount of \$121,000 and (2) Appropriation of Funds for the Purchase and Installation of an Emergency Standby Diesel Generator at Highland 1000 Water Pump Station

### **RECOMMENDATION**

That Council adopts the attached resolutions awarding a contract to AAAA Generator Service, in the amount of \$121,000, and appropriating additional funds for the purchase and installation of an emergency standby diesel generator at the Highland 1000 Water Pump Station.

### **SUMMARY**

The City's water pump stations are equipped with emergency standby diesel generators to ensure the City can continue providing water service during power outages. The failed Highland 1000 Pump Station generator failed during routine maintenance testing in July 2018. The generator is currently not functional and there is a rental generator at the site. Repairing the failed generator is estimated to cost about sixty percent of the replacement cost. However, the existing generator engine model is no longer supported by the manufacturer. Therefore, even if the generator was repaired, it would no longer have manufacturer support. Staff is requesting that Council award a contract to purchase and install a new emergency standby diesel generator at the Highland 1000 Pump Station to replace the existing failed generator.

### **BACKGROUND**

The City's water pump stations are equipped with emergency standby diesel generators to ensure the City can continue providing water service during power outages. The Highland 1000 Pump Station generator broke its crankshaft during load-bank testing in July 2018. A load bank test is used to examine and assess a generator's functionality by subjecting it to maximum load conditions to ensure that it works optimally. The cost to repair the existing generator is estimated at \$75,000. However, the engine model is no longer supported by the manufacturer. Therefore, even if the generator was repaired, it would no longer have manufacturer support.

The existing generator is currently not functional and there is a rental generator at the site. The failure of the existing generator was unexpected, and therefore costs to replace the generator are not included in the adopted FY2019 Capital Improvement Program. The rental generator is costly, and it is in the City's interest to replace the broken generator as soon as possible.

## **DISCUSSION**

On October 26, 2018, the City advertised a Request for Quotation (RFQ) for the purchase and installation of a new emergency generator. In response, the City received four bids. However, all four were determined to be incomplete because they did not include an installation plan as required by the RFQ. All four bidders were invited to resubmit their bid along with the required documents. On November 26, 2018, the City received three (3) bids for furnishing and installing the emergency generator at Highland 1000 Water Pump Station. The bids ranged from \$117,478.24 to \$219,937. AAAA Generator Service submitted the low bid in the amount of \$117,478.24. Industrial Electric submitted the next lowest bid at \$179,002.83. AAAA is located in the City of Hayward. Staff recommends award of the contract to the low bidder, AAAA Generator Service, in the amount of \$121,000, which includes the low bid amount of \$117,478.24 and \$3,521.76 (3%) for administrative change orders in the event additional funds are needed for unforeseen conditions and City-initiated changes during installation.

## **ECONOMIC IMPACT**

There are no economic impacts to Hayward residents.

## **FISCAL IMPACT**

The estimated project costs to purchase and install the generator are \$121,000, which includes the low bid amount of \$117,478.24 and \$3,521.76 (3%) for administrative change orders. Failure of the existing emergency generator at the Highland 1000 Water Pump Station was unexpected and therefore is not included in the adopted FY 2019 Capital Improvement Program (CIP). Therefore, staff is requesting that funds be appropriated from the Water Replacement Capital fund balance in an amount of \$121,000 to cover the project costs. There is sufficient fund balance in the fund and no additional allocation is required. There will be no impact to the General Fund.

## **STRATEGIC INITIATIVES**

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. This item supports the following goal and objective:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.

Objective 4: Create resilient and sustainable neighborhoods

**SUSTAINABILITY FEATURES**

Staff has reviewed the use of batteries as back up power; however, to accommodate the large power requirements, the battery sizes would have to be extremely large. Furthermore, batteries must be charged from time to time and are not a reliable source of power for longer term power outages. The selected generator will meet all the federal and state regulations regarding emissions.

**PUBLIC CONTACT**

The generator installation plan requires that any work that could potentially affect residents or property owners (e.g., use of a crane to install the generator) be scheduled during times that minimize disruptions to the public.

**NEXT STEPS**

The following schedule has been developed for this project:

Award of Contract	December 18, 2018
Notice to Proceed	January 2019
Completion of Project	March 2019

*Prepared by:* Robert Gerena, Utilities Operations & Maintenance Supervisor

*Recommended by:* Alex Ameri, Director of Utilities & Environmental Services

Approved by:



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Kelly McAdoo, City Manager