



CITY OF

NEWPORT BEACH

City Council Staff Report

August 13, 2019
Agenda Item No. 10

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Amendment No. Two with Global Power Group, Inc. for Maintenance
and Repair Services of City Generators

ABSTRACT:

The City has thirty backup power generators located throughout the City that require regular preventative maintenance and as-needed repairs. The Fire, Library, Police, Public Works, and Utilities Departments utilize the services of a specialty contractor, Global Power Group, Inc. for these services. The current contract expires on June 30, 2020, and a \$120,000 amendment to the agreement is requested for the remainder of the term and fiscal year.

RECOMMENDATION:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Approve Amendment No. Two to the Maintenance/Repair Services Agreement with Global Power Group, Inc., for preventative maintenance and as-needed repair services for City generators, adding \$120,000 to the contract for a total not-to-exceed amount of \$495,000 for the remainder of the term of the agreement; and
- c) Authorize the Mayor and City Clerk to execute the Agreement.

FUNDING REQUIREMENTS:

The Fiscal Year 2019-20 adopted budget includes sufficient funding for preventative maintenance and as-needed repair services for City generators. The Utilities Department expenses these services to the Streetlight Services/Electrical Generator Maintenance account 0109063-851001; other departments account for these services in their respective operating budgets.

DISCUSSION:

The City has thirty power generator units that are located throughout the City including the Civic Center, wastewater lift stations, water pump stations, the Corporation Yard, the Utilities Yard, Fire stations, Lifeguard headquarters and Police Headquarters. All units require regular preventive maintenance and testing, along with repairs. These generators provide backup power in the event of power outage and are vital pieces of equipment in times of emergency and other unexpected occasions. The maintenance and upkeep of all City generators is essential to ensure readiness and is a significant facet of our City's emergency preparedness efforts. Multiple departments utilize these contract services and the Utilities Department oversees this contract for the City.

In June 2015, the City Council awarded the original contract with a not-to-exceed amount of \$300,000 for a five-year term, expiring on June 30, 2020. In February 2018, due to unforeseen amounts of repair work, the Agreement was amended to increase the amount by \$75,000 for a total of \$375,000. The revised agreement amount anticipated an average expenditure of \$75,000 per year. However, needed repairs were not sufficiently budgeted in the agreement and expenditures have averaged \$93,000 per year. For example, one generator required approximately \$30,000 in repairs.

The Utilities Department recommends a second amendment to increase the agreement by \$120,000 for a total amount of \$495,000. The request of \$120,000 is above the annual average but will allow the Departments some additional flexibility in the event of an emergency repair. This amendment allows Global Power Systems to provide the next quarterly inspection in September and subsequent inspections and repairs for the remainder of the fiscal year. In early 2020, staff will issue a new Request for Proposals in anticipation of the agreement term ending and a new fiscal year.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – Amendment No. Two to Maintenance/Repair Services Agreement with Global Power Group, Inc.