



## AGENDA MEMORANDUM

Action Item for the City Council Meeting June 13, 2023

**DATE:** June 13, 2023

**TO:** Peter Zanoni, City Manager

**FROM:** Charles Mendoza, Director of Asset Management  
[Charlesm2@cctexas.com](mailto:Charlesm2@cctexas.com)  
(361) 826-1941

Josh Chronley, Assistant Director of Finance & Procurement  
[JoshC2@cctexas.com](mailto:JoshC2@cctexas.com)  
(361) 826-3169

### Generator Services for City Facilities

#### **CAPTION:**

Motion authorizing execution of a one-year service agreement, with two one-year options, with Loftin Equipment Company, of Phoenix, AZ, with an office in Universal City, Texas, in an amount not to exceed \$467,180.00, and a potential amount up to \$1,401,540.00 if options are exercised, for inspections, preventative maintenance, and repairs of generators in City facilities, with FY 2023 funding of \$155,726.00 from the Facility Maintenance Fund.

#### **SUMMARY:**

This is a motion to approve a service agreement with Loftin Equipment Company, Inc. to perform repairs and preventative maintenance to designated City-owned generators. These services are necessary to protect the generators from deteriorating and ensure facilities have electrical service during an emergency. The preventative services will be provided yearly, and repairs will be provided on an as-needed basis. This is a long-term contract for generator preventative maintenance and repair services under the direction of Asset Management.

#### **BACKGROUND AND FINDINGS:**

The Contractor shall furnish labor, parts, materials, tools, and equipment necessary to perform generator preventative maintenance and repairs to designated City-owned generators. The work performed must be accomplished in a manner that meets all applicable specifications, trade standards and provisions, and federal, state, and local codes and regulations. The contractor is responsible for removing existing materials and disposing of all waste materials. These services

will be for a Service Agreement for Generator Preventative Maintenance and Repair Services performed on an as-needed basis under individual projects that will be based on unit prices. Contracts and Procurement conducted a competitive RFB process to obtain bids for a new contract. The City is recommending the award to Loftin Equipment Company, Inc. of Universal City, Texas.

**PROCUREMENT DETAIL:**

Finance & Procurement conducted a competitive Request for Bid process to obtain bids for a new contract for generator services. The City received four responsive, responsible bids. Staff is recommending the award to the lowest responsive, responsible bidder and incumbent, Loftin Equipment Company, Inc. Labor rate has increased by 21% from the last agreement in 2020 from \$85 an hour to \$105 an hour. Inspection and preventative maintenance increased by 36%.

**ALTERNATIVES:**

The alternative is to perform the work in-house. However, the Asset Management Department would have to increase its staff to hire generator mechanics to keep up with the need to maintain generators.

**FISCAL IMPACT:**

The fiscal impact for the various departments for the first year, of the two-year service agreement is an amount not to exceed \$155,726. The remaining costs will be budgeted in future years during the annual budget process.

**FUNDING DETAIL:**

Fund:	5115
Organization/Activity:	40300
Department:	12
Project # (CIP Only):	
Account:	530210

**RECOMMENDATION:**

Staff recommends approval of this motion executing a one-year service agreement, with two one-year options with Loftin Equipment Company, Inc. for generator services for City facilities as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Service Agreement  
Bid Tabulation