



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-180

Meeting Date: 2/18/2025

TITLE:

EMERGENCY GENERATOR UNITS FOR CITY HALL AND THE COMMUNICATIONS BUILDING

DEPARTMENT: PUBLIC WORKS DEPARTMENT/GENERAL SERVICES
DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: PATRICK BAUER, DEPUTY PUBLIC WORKS DIRECTOR, (714) 754-5029

RECOMMENDATION:

Staff recommends the City Council:

1. Authorize the use of Sourcewell's Cooperative Agreement #092222-CAT with Caterpillar Inc. for the purchase of two (2) diesel emergency generators, two (2) automatic transfer switches, and two (2) double wall day tanks for fuel for City Hall and the Communications Building through Quinn Power Systems totaling \$389,543.19.
2. Approve an appropriation of \$700,000 in the Capital Improvement Fund (Fund 401) fund balance to purchase the equipment outlined above totaling \$389,543.19, and an additional \$300,000 for a separate design and installation contract to be brought under separate cover in the future, ensuring sufficient funds are available to complete the project.

BACKGROUND:

The Costa Mesa City Hall and Communications Building both utilize generators to help power all electricity in their respective buildings in an emergency. On January 8, 2025, strong winds triggered a power outage at City Hall, disabling electronic door access, computers, lights, and elevators. The City Hall generator turned on for a short period and then failed, resulting in complete loss of power to the building. The current generator is several decades old, and the parts are difficult to obtain to keep it functional at all times. It is recommended that the generator be replaced to power the City Hall reliably in the event of Edison power failure.

The Police Department's Communication Center's generator, though it remained functional during the strong winds, has also exceeded its lifespan. In order to prevent potential disruptions to all dispatch activities, this unit should also be replaced.

ANALYSIS:

The existing generators at City Hall and Police Department Communication Center have exceeded their useful lives. The high winds that caused a blackout was a reminder of how vital it is to have reliable backup power supply sources at critical City facilities. It is recommended that the generators at both City Hall and the Police Department Communication Center be replaced as a safeguard against future power failures. The cost for the replacement and installation of two power generators is estimated at \$700,000. The cost for the project will be funded from the Capital Improvement Fund (Fund 401) undesignated fund balance.

A quote from Quinn Power Systems, Caterpillar, was received for two (2) new generators, two (2) fuel tanks, two (2) automatic transfer switches, and accompanying equipment. Due to an extensive lead time to receive the equipment, the generators should be purchased first while the labor for installation goes through the normal procurement process. Purchasing the generators and equipment material through Sourcewell meets all requirements set forth in the City of Costa Mesa's Purchasing Policy and all requirements set forth by the State of California in regard to regional cooperative purchasing agreements. This process confirms that the City still receives the lowest available pricing, and meets the competitive bid process requirements. The City has utilized Sourcewell successfully for several previous related purchases.

The quote is included as Attachment 1 and totals \$389,543.19, which includes all parts, equipment, tax, and delivery to include an extensive lead time of 30 - 60 weeks. During this time, the City will follow the procurement process to secure a separate contract for the design and installation of the generator equipment at City Hall and the Police Department Communications Center. The contract is estimated at approximately, \$300,000 and will be funded from the Capital Improvement Fund (Fund 401) undesignated fund balance.

ALTERNATIVES:

The alternative to this Council action would be to advertise the purchase of generators and related accompanying materials or advertise both the materials and the labor. Staff has determined that following this route will result in a markup from the contractor as well as extending the time it will take to receive the materials. In addition, formal bidding may not result in lower prices than the proposed Sourcewell pricing for the procurement of generators and related equipment.

FISCAL REVIEW:

The emergency purchase and installation of two (2) generator units, two (2) fuel tanks, two (2) automatic transfer switches, and accompanying equipment will be funded by the Capital Improvement Fund (Fund 401) undesignated fund balance for a total of \$389,543.19. In addition, to fund a separate contract for the design and installation of such equipment, and to secure sufficient funding for the entire project, an additional \$300,000 in appropriation authority is requested, for a total of \$700,000. A future contract will be brought to the City Council for consideration and approval once a qualified vendor for the design and installation is identified. As it takes approximately 30 to 60 weeks of lead time to receive the procured equipment, total funding for the project is requested at this time to secure all necessary funding to bring the project to completion.

LEGAL REVIEW:

The City Attorney's Office has reviewed this staff report and approves as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This project works toward achieving the following City Council goals:

- Maintain and enhance the City's facilities.
- Strengthen the public's safety and improve the quality of life.

CONCLUSION:

1. Authorize the use of Sourcewell's Cooperative Agreement #092222-CAT with Caterpillar Inc. for the purchase of two (2) diesel emergency generators, two (2) automatic transfer switches, and two (2) double wall day tanks for fuel for City Hall and the Communications Building through Quinn Power Systems totaling \$389,543.19.
2. Approve an appropriation of \$700,000 in the Capital Improvement Fund (Fund 401) fund balance to purchase the equipment totaling \$389,543.19, and an additional \$300,000 for a separate design and installation contract to be brought under separate cover in the future, ensuring sufficient funds to complete the project.