



Agenda Item No. 3

To: Building and Operating Committee/Committee of the Whole Meeting of March 26, 2009

From: James P. Swindler, Deputy General Manager, Ferry Division
Celia G. Kupersmith, General Manager

Subject: **APPROVE THE PURCHASE OF FOUR GENERATOR SETS BY EXERCISING AN OPTION IN CONTRACT NO. 2009-FT-2, TWO DIESEL GENERATORS FOR THE M.S. SAN FRANCISCO**

Recommendations

The Building and Operating Committee recommends that the Board of Directors approve the purchase of four generator sets by exercising an option in Contract No. 2009-FT-2, *Two Diesel Generators for the M.S. San Francisco*, and authorize the General Manager to revise said Contract accordingly; with the understanding that sufficient funds are available in the project budgets to support the purchase.

Summary

In November 2008, the District issued Invitation For Bids (IFB) No. 2009-FT-2 for the procurement of up to six diesel generators sets—an immediate purchase of two for the M.S. San Francisco, with options to purchase four more generators sets, two each for two additional vessels. The District received one bid in an amount greater than the list price for the generators. On December 12, 2008, pursuant to its statutory authority, the Board authorized staff to procure the needed generators on the open market, at a lower price than the sole bidder's. The report for the December 12th Board action sought authorization for the purchase of three “generator sets,” although the intent of the action was to seek authorization for three “ship sets” of generators – two generators in each ship set—consistent with the terms of the IFB.

The District entered into Contract No. 2009-FT-2 with Valley Power Systems, Inc for the procurement of two generator sets for the *M.S. San Francisco*. The District now needs to procure two more generator sets for the *M.V. Del Norte*, and an additional two generator sets for the recently purchased *M.V. Chinook*.

Market conditions indicate that the price offered by Valley Power Systems for the *M.V. Del Norte* generators is still less than the list price for the generators as well as the price offered by the sole bidder on IFB No. 2009-FT-2. The basis for the Board's December authorization to purchase the generators on the open market therefore still holds. Issuing a change order to the

contract with Valley Power Systems for the purchase of additional generators requires Board authorization because the dollar value of \$74,872 for the *M.V. Del Norte*'s two generator sets, exceeds the General Manager's change order authority. Staff does not yet know the exact dollar amount of a change order for the *M.V. Chinook* generators, but seeks Board authorization to issue a change order in an amount not to exceed the manufacturer's list price.

Fiscal Impact

The Purchase and Refurbishment of the *M.V. Chinook* is included in the FY 08/09 Ferry Transit Division Capital Budget at a total cost of \$11,160,000 and is 100% grant funded. The Repower of the *M.V. Del Norte* is also included in the FY 08/09 Ferry Transit Division Capital Budget at a total cost of \$3,500,000 and is 100% grant funded. Sufficient funds are available to support the purchase of the diesel generator sets in the respective capital budgets.