

ITEM #:	<u>32</u>
DATE:	<u>04-28-26</u>
DEPT:	<u>W&PC</u>

COUNCIL ACTION FORM

SUBJECT: WATER TREATMENT PLANT EMERGENCY GENERATOR THREE-YEAR SERVICE MAINTENANCE CONTRACT

BACKGROUND:

The City operates a Caterpillar emergency generator at the Water Treatment Plant that is critical to facility reliability. To ensure continued operation, manufacturer-recommended preventative maintenance and testing is required on a scheduled basis.

The City currently has a three agreement with Ziegler Powers Systems of Ankeny, Iowa for preventive maintenance services on the Caterpillar engine which expires on June 30, 2036. Staff has received a proposal for another three-year agreement. The new agreement would cover the period of July 1, 2026 through June 30, 2029 and includes parts, labor, travel, and disposal of all fluids. Services will be performed by Caterpillar certified engine and generator technicians. Specific annual services include multi-point inspections, load bank testing, oil and coolant analysis, valve and injector adjustments, and battery replacement.

Under the proposed agreement, costs will be fixed at \$16,836.27 annually for a total cost of \$50,508.81 over a period of three years. This work is included in the Water Plant Operations budget as part of a pool of contractual services, with \$16,150 earmarked specifically for the emergency generator.

Ziegler Power Systems has held the City's generator maintenance contract for the life of the generator, during which time its technicians have been responsive and have provided an acceptable level of service.

The City has also received confirmation from Caterpillar, the manufacturer of the generator, confirming that Ziegler Power Systems is the only authorized Caterpillar dealer and service provider for Story County, Iowa. Due to Caterpillar granting exclusive service territory rights to Ziegler, and to the specialized nature of Caterpillar equipment, diagnostics, OEM parts, and warranty considerations, Ziegler Power Systems is the only practical provider capable of performing these preventative maintenance services.

For these reasons, staff is utilizing the single-source negotiation provisions of the approved Purchasing Policies and recommending award to Ziegler Power Systems for preventative maintenance services for the Water Plant's emergency generator.

ALTERNATIVES:

1. Approve the use of the single-source negotiation provisions of the City's Purchasing Policy and award a three-year contract to Ziegler Power Systems, Ankeny, IA, for annual generator preventative maintenance services for a three-year term (July 1, 2026 through June 30, 2029) in the amount of \$50,508.81.
2. Do not approve and direct staff to solicit bids for these maintenance services.

CITY MANAGER'S RECOMMENDED ACTION:

Proper functioning of the Water Treatment Plant's emergency generator is essential to maintaining reliable plant operation. Ziegler Power Systems is the authorized Caterpillar service provider for Story County, Iowa and has demonstrated acceptable performance on previous contracts. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.