

**Lee County Board Of County Commissioners  
Agenda Item Summary**

**Blue Sheet No. 20130438**

**1. ACTION REQUESTED/PURPOSE:**

- A) Approve Bid Waiver # W-130118 to waive the formal quotation procedure to allow purchase of only Cummins brand emergency generator sets from Cummins Power South LLC, a local vendor located in Fort Myers, when requests to acquire an emergency power system (generator set) is deemed necessary by Lee County Utilities (LCU) for LCU or other County Departments and Divisions.
- B) Acknowledge the waiver for the Cummins brand is requested due to the fact it is the only emergency power system provider that itself manufactures all three components of the system – the alternator, diesel engine, and automatic transfer switch. The vendor of choice, Cummins Power South, LLC, is the sole authorized Cummins distributor in the State of Florida.
- C) Authorize this waiver to remain in effect until other vendors in the industry manufacture all three components of an emergency power system.
- D) Approve an annual estimated County-wide expenditure for these systems of \$500,000.

**2. FUNDING SOURCE:**

Emergency Power Systems, The funding source will be: Fund – Lee County Utilities Operations, Court Administration Operations, Fleet Management Operations, Public Safety Operations, Libraries Operations, Department of Transportation Operations, Facilities Management Operations; Programs – Water Distribution, Wastewater Collection, Tolls Mid Point, Tolls Cape Coral, Transit Operations, Traffic Signals, Library Services, Facilities Maintenance; Project – Furniture and Equipment. Department and Division annual operating budgets and CIP include funds for these purchases.

**3. WHAT ACTION ACCOMPLISHES:**

LCU purchases and maintains the County's emergency generators. By establishing one brand of emergency power system as the standard, the County benefits from one source manufacturing of components, fewer spare parts in inventory, lower initial capital costs, reduction in life cycle costs, and assurance the right sized equipment is consistently obtained for a broad range of applications.

Generators are long-lived assets purchased on an as-needed basis only after an in-depth needs analysis is performed. If the need is identified by the department and confirmed by LCU, then a cost quote is obtained and the amount is included in the requesting department's operating budget. By approving the waiver, this process will be simplified and uniform throughout the County.

**4. MANAGEMENT RECOMMENDATION:** Approve.

**5. Departmental Category:** A13A

**6. Meeting Date:** 5/28/2013

**7. Agenda:**

Administrative

**8. Requirement/Purpose:** *(specify)*

- ☐ Statute  
☐ Ordinance  
☒ Admin Code AC-4-1  
☐ Other

**9. Request Initiated**

**Commissioner:**

**Department:** UTILITIES

**Division:** No Divisions

**By:** Pam Keyes

**10. Background:**

On April 10, 2013, the Division of Procurement Management received a request from LCU to waive the formal quotation procedure, and allow LCU, when requested by County Departments and Divisions to acquire an emergency power system (generator set) for their use, to purchase only Cummins brand emergency generator sets

**11. Required Review:**

<i>Pam Keyes</i>	<i>Robert Franceschini</i>	<i>Dawn Perry-Lehnert</i>	<i>Reginald Kantor</i>	<i>Mike Figueroa</i>	<i>David Harris</i>
UTILITIES	Purchasing	County Attorney	Budget Analyst	Risk	Budget Services
<i>Pam Keyes</i>					
Public Works Director					

**12. Commission Action:**

from Cummins Power South LLC, a local vendor located in Fort Myers.

#### Market Reasons for Waiver Request

An emergency power system consists of the following components: generator (alternator and diesel engine) and an automatic transfer switch (ATS). For the past several years, LCU has been tasked with overseeing the acquisition and maintenance of the County's emergency generator fleet. Experience has shown that due to the critical nature of these systems, it is to the County's benefit to have a single source of responsibility with the manufacturer of choice. In other words, one manufacturer who can supply all three components of the emergency power system – generator, alternator and ATS. Thus eliminating the inherent problems of having multiple manufacturers when there is an issue with the performance of the system as a whole. LCU has researched the market and found that, with the exception of Cummins, none of the major manufacturers of emergency power systems – including Kohler, Caterpillar, and Detroit Diesel – manufacture all three of the components that make up the system.

#### Technical Reasons for Waiver Request

- The starting power rating (sKVA) for a Cummins generator does not dip below 90% of its rated voltage when first started and brought under full load. Benefit: The generator does not need to be oversized.
- Cummins alternators can be specified with a maximum temperature rise of 80 degrees C. Benefit: The generator does not need to be oversized to allow for heat generation.

#### Cost Saving Reasons for Waiver Request

Due to the fact that the Cummins product does not need to be oversized, cost savings are realized in two ways. First, the capital cost of the equipment is reduced since the proper size system for the application can be specified and acquired. Second, life cycle cost (fuel, parts, overall operating costs, etc.) are minimized due to the elimination of the oversizing issue.

#### Operations Issues

Fewer types of spare parts for the different manufacturers for more efficient stocking. Specialized training for staff to improve on-going maintenance, troubleshooting and problem solving issues.

#### Summary

Cummins Power South has been confirmed as the sole source distributor for the Cummins product in the State of Florida. This fact along with exclusive manufacturing process offered through Cummins – and inherent benefits of same – has predicated the request for and approval of this waiver.

Funds are available: Account strings: EB7130110601.506410; EB7130210601.506410, (Court Administration); JB5191059401.506410, (Fleet Management); KF5260100100.506410; KF5290352000.506410, (Public Safety); KG5710114800.506410, (Libraries); KI5440148640.506410, (Transit); OB5341040100.506410, (Solid Waste); OD5360248700.506410; OD5360448700.506410; OD5361048700.506410; OD5366348700.506410, (Utilities Division); PC5410117500.506410; PC5411517500.506410, (Transportation Operations); PD5410417500.506410; PD5410917500.506410, (Traffic); PE5414742101.506410; PE5414742103.506410 (Transportation – Tolls); QC5121200100.506410, (Facilities Management).

Attachment: 1. Request for Bid Waiver

2. Justification for Sole Source or Waiver Purchase

3. Source Verification Letter from Cummins Power Generation