



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Public Works and Parks



**Date:** March 4, 2013  
**Board Meeting Date:** March 12, 2013  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** James C. Porter, Director, Department of Public Works and Parks

**Subject:** Agreement with Regatta Solutions

**RECOMMENDATION:**

Adopt a Resolution waiving the Request for Proposals process and authorizing an agreement with Regatta Solutions for service, repair and rebuild of micro-turbines at the Youth Services Center for the term of April 1, 2013 through March 31, 2019, in an amount not to exceed \$370,000.

**BACKGROUND:**

On July 18, 2006 your Board adopted Resolution No.068153 authorizing an agreement with Carrier Corporation to perform preventive maintenance and repairs to the micro-turbine cogeneration system in the Youth Services Center (YSC) central plant. The agreement has expired and staff now desires to enter into a contract for full service maintenance of the equipment.

**DISCUSSION:**

At the time the cogeneration plant was installed, Carrier custom-designed and manufactured the absorption chillers as a component of the micro-turbine cogeneration system. The micro-turbines were manufactured by Capstone, then a wholly owned subsidiary of Carrier. Carrier has since divested itself of Capstone. Staff is recommending that the County enter into an agreement with Regatta Solutions on a sole source basis as it is the only factory authorized service provider for Capstone micro-turbines in the Western United States.

Regatta Solutions has agreed to provide full service maintenance including periodic factory service, repairs for unscheduled failures and overhaul each unit upon reaching the 40,000 hour projected operating life limit on a fixed fee basis, as described in Exhibit A of the Agreement. Based on the current turbine run hours of the operating units, we anticipate that all eight micro-turbine units will be overhauled once, and only once, during the six year term of the contract. Staff believes that entering into this agreement

with Regatta Solutions is in the best interest of the County as it allows Regatta Solutions to offer better pricing and limits the downtime of failed units.

Regatta Solutions agreed to provide the full service maintenance for a total of \$306,534 comprised of quarterly payments in the amount of \$12,772.26 over the six year term as described in Exhibit B of the Agreement. The Agreement allows for a 2% annual escalation clause, which staff anticipates the contractor will invoke based on the current and anticipated inflation rates. This will result in an additional cost to the County of \$15,741 for a total minimum cost of \$322,275.

Staff further increased the maximum not to exceed amount by approximately \$47,725 to \$370,000 to cover necessary work and repairs that are excluded from the basic level of services. This work may include repair of damage caused by unforeseen conditions, such as: vandalism, earthquakes, or weather related damage. Additionally, this contingency will support Department requested modifications to the equipment that may be necessary or mandated over the term of the Agreement. Work performed by the Contractor that is beyond the full service maintenance will be requested by the Department in writing and performed by the Contractor on a time and material basis in accordance with the rates provided in Exhibit B. The Department is recommending an Agreement with sufficient contingencies to allow for continued operation of the micro-turbines as the County is required to pay PG&E significant standby fees when the cogeneration plant is off-line.

The County Contract Compliance Committee has approved the waiver for extension of the contract term beyond 3 years to six years.

County Counsel has reviewed and approved the Agreement and Resolution as to form.

Approval of an agreement with Regatta Solutions contributes to the Shared Vision 2025 outcome of an Environmentally Conscious Community by minimizing down time on the micro-turbine cogeneration system that achieves reductions in the greenhouse gas emissions due to the operation of the YSC.

**FISCAL IMPACT:**

There is no impact to the General Fund. Funding for the maintenance and overhaul of the YSC cogeneration plant is provided for in the annual Capital Improvement Program.