



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item:	Waive bidding and award purchase of new Caterpillar cylinder head assembly for CAT G16CM34 engine at GGF.		
Presenter & Title:	Hal Wright, Superintendent Electrical Services		
Date:	September 3, 2019		
Please Check Appropriate Box:			
<input checked="" type="checkbox"/>	Committee of the Whole Meeting	<input type="checkbox"/>	Special Committee of the Whole Meeting
<input checked="" type="checkbox"/>	City Council Meeting	<input type="checkbox"/>	Special City Council Meeting
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	Other -
Associated Strategic Plan Goal/Objective: EMS-II			
Estimated Cost: \$28,213.75		Budgeted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Other Funding? <input type="checkbox"/> Yes <input type="checkbox"/> No
<i>If "Other Funding," please explain how the item will be funded:</i>			
Executive Summary:			
<p>A cylinder head for the engines at Geneva Generation Facility was rebuilt after it failed in 2017. Subsequently this head was maintained as a spare. During the pre-season maintenance, the head was placed in service and failed again after several hours of operation. It is Caterpillar Power Systems opinion that the head must be returned to the factory in Germany.</p> <p>Caterpillar Motoren GmbH quoted a replacement head at a cost of 25,000 Euros. A possible core credit of 15,000 Euros will be applied to the purchase if the cylinder head is found to be repairable. The final cost will depend on the exchange rate at the time of purchase and evaluation of the cylinder head.</p> <p>Caterpillar Motoren GmbH is the sole source provider for these parts. As such, staff requests the bidding requirement be waived.</p>			
Attachments: <i>(please list)</i>			
<ul style="list-style-type: none"> • Resolution • Memo • Caterpillar Motoren GmbH Quote 			
Voting Requirements:			
<i>This motion requires 7 affirmative votes for passage.</i>			
<i>The Mayor may vote on three occasions: (a) when the vote of the aldermen or trustees has resulted in a tie; (b) when one half of the aldermen or trustees elected have voted in favor of an ordinance, resolution, or motion even though there is no tie votes; or (c) when a vote greater than a majority of the corporate authorities is required by state statute or local ordinance to adopt an ordinance, resolution, or motion.</i>			
Recommendation / Suggested Action: <i>(how item should be listed on agenda)</i>			
Recommend approval of resolution to waive bidding and approve purchase of a new cylinder head for the Caterpillar G16CM34 engines at Geneva Generation Facility from Caterpillar Motoren GmbH at a cost of 25,000 Euros.			

RESOLUTION NO. 2019-80

**RESOLUTION AUTHORIZING EXECUTION OF
Waive bidding and approve purchase of new cylinder-head for Geneva Generation Facility
from Caterpillar Motoren GmbH**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GENEVA, KANE COUNTY, ILLINOIS, as follows:

SECTION 1: That the City Administrator is hereby authorized, on behalf of the City of Geneva, to waive bidding and approve the purchase of a new cylinder-head from Caterpillar Motoren GmbH.

SECTION 2: This Resolution shall become effective from and after its passage as in accordance with law.

PASSED by the City Council of the City of Geneva, Kane County, Illinois, this 3rd day of September, 2019

AYES: __ NAYS: __ ABSENT: __ ABSTAINING: __ HOLDING OFFICE: __

Approved by me this 3rd day of September, 2019.

Mayor

ATTEST:

City Clerk



PUBLIC WORKS DEPARTMENT
MEMORANDUM

August 19, 2019

Memo To: Mayor Burns, Committee of the Whole
From: Hal Wright, Superintendent of Electrical Services
Re: Recommendation for replacement of cylinder-head assembly for CAT G16CM34 engine at GGF

During the 2017 season, one of the engines at GGF experience a cylinder-head failure. The plant operator would observe the cylinder in question not coming up to operating temperature during the start sequence. Safety systems would then shut the engine down. The city maintains a spare cylinder-head located at GGF. The spare was put into service and the faulty unit was sent out to be rebuilt. Subsequent to the rebuild work, the rebuilt cylinder-head was put into spare status to be used when needed.

During the pre-season maintenance cycle this year, the plant technician found a minor issue with a head on a different engine. The decision was made to install the rebuilt spare unit while the cylinder-head in question was evaluated. A two-hour test run after the change was successful with the engine operating at full capacity. Unfortunately, the rebuilt cylinder-head failed again several operating hours later. The plant operator observed the same failure mode as in 2017.

The rebuilt cylinder-head was again changed out and GGF has been operating at full capacity. Unfortunately, we are now without a spare. Caterpillar Motoren was contacted and quoted a new replacement cylinder head at 25,000 Euros. The City of Geneva may receive a core credit of up to 15,000 Euros upon evaluation of our existing head at the factory in Germany. The City of Geneva will not know if the cylinder-head qualifies for a core credit until it is received and evaluated by Caterpillar. Based on exchange rates the actual cost of the cylinder head will vary pending delivery.

Caterpillar Motoren GmbH is the sole source provider of these parts. As such, sealed bids are not an option.

Staff Recommendations:

Caterpillar Motoren GmbH is the sole source provider for these parts. It is staff's recommendation that Caterpillar Motoren GmbH be awarded the bid to supply one new cylinder head at a cost (25,000 Euros subject to the exchange rate), minus any core credit received after evaluation of the cylinder head.

Cc: Stephanie Dawkins, City Administrator
Rich Babica, Director of Public Works
Aaron Holton, Manager of Electric Operations
Jennifer Hilkemann, Manager of Distribution Construction & Maintenance
Kirk Landberg, Purchasing & Inventory Coordinator



Caterpillar Motoren GmbH & Co. KG

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Datum/Date/Date

03.07.19

243

Q U O T A T I O N

PAGE : 1

Table with 9 columns: Ihre Bestellung-Nr./Zeichen, Datum, Unser Zeichen, Bearbeiter, Durchwahl, Kunden Nr., Rechnung Nr., MaK-Ref. Nr. Includes reference numbers and contact info.

(Bitte stets angeben | Veuillez indiquer toujours | Please quote for ref.)

CITY OF GENEVA
1800 SOUTH STREET
GENEVA, ILLINOIS 60134
USA
KIRK LANDBERG

100001-00

CONSIGNEE :

WE OFFER :
FCA HENSTEDT-ULZBURG
GERMANY

SHIPPING MARKS :

QUOTATION 098162/001A - 130

PACKING :

POWER PLANT :
STAT.CITY OF GENEVA
MOTOR TYPE / NO.: 16CM 34G 056015

TRANSPORT :
DATE : VA NO. :
PLACE OF LOAD. :
PLACE OF EXIT :

WEIGHTS NET :
GROSS :

PROVISIONSWERT : P-1

P-2

NET AMOUNT = EUR 25.000,00
VALUE ADDED TAX + EUR 0,00

TOTAL AMOUNT = EUR 25.000,00

CATERPILLAR MOTOREN GMBH & CO. KG

Caterpillar Rechnungformular V.1.0



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Ihre Bestellung-Nr./Zeichen Your reference No. Votr e No. de référence MAIL RICH POTVIN	Datum Date Date 02.07.19	Unser Zeichen Our reference Notre réf. A01	Bearbeiter Please refer to Mr./Mrs. Veuillez contacter M./Mme. M. EHMKE	Durchwahl Telephone No. No. de téléphone 3995-2228	Kunden Nr. Customer No. No. de client. 100001	Rechnung Nr. Invoice No. No. de la facture	MaK-Ref. Nr. ORecord-No. No. de commande 098162/001 A
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(Bitte stets angeben | Veuillez indiquer toujours | Please quote for ref.)

ITEM NO.	SPARE PARTS NUMBER	STOCK NUMBER	MATERIAL / SERVICES	Q U A N T I T Y OFFERED:	M E	PRICE	AMOUNT
1	342107 BB	190999909	EQUIPMENT FOR CAT POWER STATIONS 3400.7-21.07.00-52 ZYLINDERKOPF CYLINDER HEAD	1,00	1	25000,00	25.000,00
<p>DELIVERY PERIOD - NOT BINDING - AFTER HAVING RECEIVED ORDER:</p> <p>*** PLS. ADD 2-3 WORKING DAYS FOR INTERNAL HANDLING TO MENTIONED DELIVERY TIMES BELOW / EXCEPTION EX STOCK ITEMS ***</p> <p>EX STOCK SUBJECT TO PRIOR SALE FOR ITEM NO. 1</p> <p>THIS OFFER IS OPEN FOR ACCEPTANCE UNTIL 30.09.2019</p> <p>*** THE RELEVANT VAT PERCENTAGE WILL BE APPLIED ACCORDING TO YOUR BUSINESS SCENARIO AFTER RECEIPT OF ORDER. WE ARE NOT DETERMINING THE VAT APPLICABLE AT THE TIME OF QUOTATION. ***</p> <p>*****</p> <p>LEGAL RESTRICTIONS PLEASE BE ADVISED THAT WE MAY BE RESTRICTED BY APPLICABLE LAWS, INCLUDING BUT NOT LIMITED TO EXPORT CONTROL LAWS, FROM SELLING AND/OR SHIPPING THE PRODUCTS, EQUIPMENTS, PARTS, SERVICES, INFORMATION, TECHNOLOGY, OR OTHER ITEMS CONTAINED HEREIN. WE THEREFORE EXPLICITLY RESERVE THE RIGHT TO CANCEL ANY ORDER PLACED BY YOU IN CASE OF SUCH LEGAL RESTRICTIONS APPLY OR BECOME APPLICABLE.</p>							

Caterpillar Rechnungformular V.1.0

Caterpillar Motoren GmbH & Co. KG
Sitz der Gesellschaft: Kiel
Handelsregister: Amtsgericht Kiel, HRA 3735

Komplementärin:
Caterpillar Motoren Verwaltungs-GmbH
Sitz der Gesellschaft: Kiel
Handelsregister: Amtsgericht Kiel, HRB 4621

Geschäftsführung:
Mark J. Kingsley, Vorsitzender
Dr. Martin Wemli

Versandanschriften siehe Rückseite
Forwarding addresses see overleaf
Adresses d'expédition voir au verso
Steuer-Nr./Tax No./Numero Fiscal:
20 282 70052

Konten / Accounts / Comptes:
Commerzbank Kiel (BLZ 210 400 10) Konto-Nr. 730 700 200
S.W.I.F.T.-SODE: COBA DE FF 210
IBAN-Nummer: DE23 2104 0010 0730 7002 00
Unsere USt-IdNr. / Our VAT REG No./ Notre No. d'identification: DE 812319340



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Main table with columns: ITEM NO., SPARE PARTS NUMBER, STOCK NUMBER, MATERIAL / SERVICES, QUANTITY OFFERED, PRICE, AMOUNT. Includes liability disclaimer and summary rows.

A T T E N T I O N :
PART NO. MARKED AS MAO IS NOT A STOCKED ITEM, IT HAS BEEN MADE AS ORDERED (MAO).
DEPENDING ON THE DEALER NET VALUE, LEAD TIME AND COMPLEXITIES OF MANUFACTURING
THESE PARTS, CATERPILLAR MOTOREN MAY REQUIRE A FIRM, NON-CANCELABLE ORDER.
PLEASE NOTE: SINCE WE DO NOT STOCK MAO PARTS, THEY ARE NOT RETURNABLE.
CATERPILLAR MOTOREN GMBH & CO. KG

Caterpillar Rechnungformular V.1.0