

RESOLUTION NO. 24-001

**A RESOLUTION APPROVING THE CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION'S ACCEPTANCE OF A QUOTE AND ENTERING INTO A SERVICE AGREEMENT WITH PANANMA EQUIPMENT OF CLEVELAND, TEXAS FOR THE PREVENTATIVE MAINTENANCE OF TWO (2) GENERATORS SERVICING THE EDC BUILDINGS LOCATED AT 501 PROCTER STREET AND 549 4<sup>TH</sup> STREET; IN AN ANNUAL AMOUNT NOT TO EXCEED \$11,876.94. FUNDS AVAILABLE IN EDC ACCOUNT NO. 120-80-625-5318-00-00-000**

**WHEREAS**, the City of Port Arthur Section 4A Economic Development Corporation (PAEDC) owns the facilities located at 501 Procter and 549 4<sup>th</sup> Streets, Port Arthur, Texas and has the commitment to maintain the safety and integrity of said premises; and

**WHEREAS**, generator maintenance is essential to the proper functioning of a system, while also minimizing the risk for accidents, damage, and more costly repairs down the line. Additionally, routine maintenance helps to ensure that your generator will run smoothly and efficiently during a power failure; and

**WHEREAS**, The PAEDC has or is in the process of installing two generators: one to serve each facility in the event of a power outage. In order to properly maintain the generators for uninterrupted performance, the PAEDC wishes to contract a servicer to perform preventative maintenance and service as needed on the generators. Three quotes were sought out and received by PAEDC; and

**WHEREAS**, the quotes, Exhibit "A", were secured from A&A Electric Company of Beaumont, Texas, Panama Equipment of Cleveland, Texas and SETX Motorsports of Orange, Texas; ranging from \$7,900.00 - \$15,500.00 annually; and

**WHEREAS**, Panama Equipment installed the generator at 549 4<sup>th</sup> Street and is the installer for the new generator at 501 Procter Street. Panama Equipment is familiar with the pre-owned diesel generator installed at 549 4<sup>th</sup> Street and has satisfactorily performed the preventative maintenance on the equipment thus far; and

**WHEREAS**, at their December 4, 2023, Board Meeting, the PAEDC Board of Directors approved acceptance of a quote and entering into a Service Agreement, **Exhibit "B"**, for the preventative maintenance of the two generators servicing the EDC buildings located at 501 Procter Street and 549 4<sup>th</sup> Street in the amount not to exceed \$11,876.94.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ARTHUR:**

**Section 1.** That the facts and opinions in the preamble are true and correct.

**Section 2.** That the City Council authorizes PAEDC to accept a quote and enter into a Service Agreement with Panama Equipment of Cleveland, Texas for the preventative maintenance of the two generators servicing the EDC buildings located at 501 Procter Street and 549 4<sup>th</sup> Street in the amount not to exceed \$11,876.94.

**Section 3.** That a copy of the caption of this Resolution be spread upon the Minutes of the City Council.

**READ, ADOPTED AND APPROVED** on this 04 day of Jan A.D., 2023,  
at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote:

AYES:

Mayor Barbie; Mayor Pro Tem Hamilton;

Councilmembers Lewis, Ducit, Kinlaw and Frank.

\_\_\_\_\_;  
NOES: None -

  
\_\_\_\_\_  
Thurman Bartie, Mayor

ATTEST:

  
\_\_\_\_\_  
Sherri Bellard, City Secretary

APPROVED:

  
\_\_\_\_\_  
Terry Stokes, PAEDC CEO

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Charles E. Zech, PAEDC Attorney

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Val Tizeno, City Attorney

APPROVED AS TO AVAILABILITY OF FUNDS:

  
\_\_\_\_\_  
Lynda Boswell, Finance Director

23500

# Exhibit "A"

## Krystle Villarreal

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**From:** Caleb Malveaux  
**Sent:** Thursday, November 9, 2023 4:26 PM  
**To:** Krystle Villarreal  
**Subject:** FW: PM for generators

**From:** josh <josh@aaelectricbmt.com>  
**Sent:** Monday, November 6, 2023 4:12 PM  
**To:** Caleb Malveaux <cmalveaux@paedc.org>  
**Subject:** PM for generators

Caleb,

For the building **549 4th St.** which will include the following below will be **4950.00** per year  
Included is 1 annual major PM, 3 minor PM's, as well as 8 additional monthly crank visits.

Included in major pm is:

Change 18 gallons of oil, 2 oil filters, 2 fuel filters, 2 coolant filters, 2 air filters, check coolant level, check battery voltage, check output voltage, transfer test and run generator for an hour.

Included in minor pm is:

Check fluid level, check battery voltage, check output voltage, transfer test and run generator for an hour.

Included in 8 additional cranks is:

run generator for 30 minutes

Coolant flushes as needed for additional charges. since we do testing on coolant and use high quality coolants these times vary from 4 to 7 year.

There is no surcharge on fuel except what is billed to us from Suncoast since we do not have to be on site when they fill the unit. But we will be happy to coordinate with them to have the unit filled as needed.

For the building **501 Proctor St.** which will include the following below will be **2950.00** per year. Included is 1 annual major PM and 2 minor PM's.

Included in major pm is:

Change 4 gallons of oil, 1 oil filter, 1 coolant filter, 1 air filter, check coolant filter, check battery voltage, check output voltages, transfer test, and run generator for an hour.

Included in minor pm is:

Check fluid levels, Check battery voltage, check output voltage, transfer test, and run generator for an hour

Coolant flushes as needed for additional charges. since we do testing on coolant and use high quality coolants these times vary from 4 to 7 year.

Formal contracts will be written and signed before work can commence

Customer: City of Port Arthur

DATE: November 16, 2023

State: Texas

<p><b>SCOPE OF WORK Press Building 500KW:</b></p> <ul style="list-style-type: none"> <li>• One annual Major PM                     <ul style="list-style-type: none"> <li>Change 18 gallons oil</li> <li>3 oil filters</li> <li>2 Fuel Filters</li> <li>2 Coolant Filters</li> <li>2 Air filters</li> <li>Check Coolant level</li> <li>Check Battery voltage</li> <li>Check Output voltage</li> <li>Run Generator for and hour and transfer power</li> </ul> </li> <li>• Three Minor PM's                     <ul style="list-style-type: none"> <li>Check fluid levels</li> <li>Check Battery voltage</li> <li>Check Output voltage</li> <li>Run Generator for and hour and transfer power</li> </ul> </li> <li>• Eight Monthly Cranks                     <ul style="list-style-type: none"> <li>Run Generator for 30 Minutes every Monthly</li> </ul> </li> <li>• Every Three to Five years for an additional charge change 30 gallons of coolant, 2 coolant filters</li> <li>• Fueling day to day is an added cost with a delivery fee of \$520.00, and Fuel at market cost per gallon plus \$1.40 per</li> </ul>	<p><b>SCOPE OF WORK Edc Building 200Kw:</b></p> <ul style="list-style-type: none"> <li>• One annual Major PM                     <ul style="list-style-type: none"> <li>Change 4 gallons oil</li> <li>1 oil filters</li> <li>1 Coolant Filters</li> <li>1 Air filters</li> <li>Check Coolant level</li> <li>Check Battery voltage</li> <li>Check Output voltage</li> <li>Run Generator for and hour and transfer power</li> </ul> </li> <li>• Two Minor PM's                     <ul style="list-style-type: none"> <li>Check fluid levels</li> <li>Check Battery voltage</li> <li>Check Output voltage</li> <li>Run Generator for and hour and transfer power</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• This quote pricing is quoted for a 3 year contract and Priority 1 Level Response to any call outs or Generator outages for day to day or Disaster.</li> <li>• Priority 1 Level Callouts will have a maximum 4 hour response time and a minimum 4 hour charge for each call out at \$105 dollars an hour.</li> </ul>	

PANAMA EQUIPMENT CONTACT INFO.		CUSTOMER CONTACT INFORMATION		
Name:	Name:	Phone:	Email:	
Rene Trevino	Krystal Villarreal Muller	409.963.0579	<a href="mailto:Kvillarreal-muller@paedc.org">Kvillarreal-muller@paedc.org</a>	
Phone:	Location:	Site ID Number:	Site Name:	
281-6875045	Port Arthur		Press Building	

QUANTITY	DESCRIPTION	UNIT PRICE	LINE TOTAL
1.00	Press Building 500kw Major PM	\$ 6,476.92	\$ 6,476.92
3.00	Press Building 500 kw Minor PM	\$ 653.85	\$ 1,961.55
8.00	Press Building 500kw Monthly Crank	\$ 261.54	\$ 2,092.32
0.00			\$
1.00	EDC building 200kw Major PM	\$ 823.08	\$ 823.08
2.00	EDC building 200kw Minor PM	\$ 261.54	\$ 523.08
0.00			\$
<b>Thank you for your business!</b>		<b>TOTAL</b>	<b>\$ 11,876.94</b>

- General - Qualifications/Classifications
- This document contains confidential and proprietary information. Its contents shall not be copied or distributed to third parties without the express written permission of Panama Equipment LLC.
  - Proposal does not include any state sales tax except for contractor responsible materials, gross receipts, or other taxes for this project. The customer is responsible to issue the contractor and the subcontractors a "direct pay permit" and to receive and pay any state sales or other taxes for this project. Buyer shall be responsible for any tax, interest, and penalty if such employment is not direct payment permit certificate is disallowed by the proper taxing authority.
  - This proposal is based on the information provided by the customer and/or owner or owner of legal record (if relevant) and includes installation of all materials and equipment as shown in the documents provided as of the date of the proposal.
  - Work will be performed according to the drawings and information provided by the company being quoted.
  - Panama Equipment LLC will not accept any responsibility or charge for modification, repair, reworking, and adjustment or for any other items without the authority in the form of a purchase order in advance of doing the work.
  - Panama Equipment LLC shall not be liable for any promissory or other responsibility for any additional cost, any loss or damage to the customer. Further, the customer shall have any rights to charge back or debit from any payments due Panama Equipment LLC, any fees or costs the customer may have incurred whereby Panama Equipment LLC did not directly approve such fees or costs before work is started and complete costs for incoming such costs.
  - Removal of any unidentified obstructions and any associated delays or downtime due to same, will be considered as extra to this proposal.
  - Any changes to these drawings or new drawings that are issued to Panama Equipment LLC at any time after the submittal of our proposal will be considered an extra and priced accordingly on Change Order Requests and submitted to all parties involved for review, approval, and budget increase before any work associated with these changes takes place.
  - Our standard labor and equipment rates shall apply for any extra work.
  - Any delays and/or work stoppages not caused by the direct result of Panama Equipment LLC or its direct sub-contractors shall be considered extra and billed at the current contract rates.
  - Upon completion of this project, Panama Equipment LLC will provide all required documentation and inspection reports.
  - This quote is valid for 30 days.

# Quote

SETX Motorsports  
6378 FM 105  
Orange Tx, 77630  
(409) 550-1207

Customer:  
Port Arthur EDC  
  
Port Arthur, TX



Quote #:	22835
Contact Phone #	409-282-1010
Contact Email	<a href="mailto:cmaiveaux@paedc.org">cmaiveaux@paedc.org</a>

### Generac SD200 Natural Gas Generator

Services/Trips	ID	Type of Work	Per Service Cost	Total cost
1	501 Proctor Street	Full PM Annually	850.00	\$850.00
2	501 Proctor Street	6 Month inspection	275.00	\$550.00
				\$0.00
				\$1,400.00

### 500Kw Blue point Diesel Generator

Services	ID	Type of Work	Per Service Cost	Total cost
1	549 4th St Press Building	Full PM Annually	8150.00	\$8,150.00
3	549 4th St Press Building	6 Month inspection	850.00	\$2,550.00
8	549 4th St Press Building	Monthly Cranks	425.00	\$3,400.00
				\$14,100.00
		<b>Total for both Buildings</b>		\$15,500.00

### Notes:

Fueling is cost of fuel plus \$1.70 a gallon and a delivery fee of \$600. These cost will change during a storm event if one is to occur. If there is a storm event Delivery Charge will change to \$1200.

23500

# Exhibit "B"



**SERVICE AGREEMENT FOR PREVENTATIVE MAINTENANCE AND  
REPAIRS FOR PORT ARTHUR EDC 200 KW GENERATOR AND PRESS  
BUILDING 500 KW GENERATOR**

**THIS AGREEMENT**, made this \_\_\_\_\_ day of \_\_\_\_\_, 2023, between City of Port Arthur EDC, a municipal corporation organized under the laws of the State of Texas, hereinafter called "owner" or City and Panama Equipment LLC a Corporation hereinafter called "Contractor".

**WITNESSETH:** That for and in consideration of the payments, terms, conditions, and agreements set forth herein, OWNER and CONTRACTOR agree as follows:

- 1) The Port Arthur EDC operates two generators, (1) diesel 500 KW at 549 4<sup>th</sup> St. the Press Building and (1) Natural Gas 200 KW at the Port Arthur EDC building at 501 Procter St. which require semi-annual Preventative maintenance and repairs when required.
- 2) The Contractor Specializes in Generator servicing and repairs, which the contractor agrees to perform as outlined in the service quote.
- 3) The term of the contract is for a three (3) year period option to renew for two (2) additional one-year periods, subject each year to the mutual agreement of the parties. Option to renew for two (2) additional years at the mutual agreement of both parties, Panama Equipment reserves the right to increase parts and labor to fair market rates at renewal.
- 4) The term "Contract Documents" means and includes the following:
  1. Agreement
  2. Proposal Scope of work
  3. Proposal
- 5) This agreement shall be binding upon all parties hereto and their respective Heirs, executors, administrators, successors, and assigns.
- 6) IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in (2 copies) each of which shall be deemed an original on the date first written above.

**PROPOSAL SCOPE OF WORK**  
**GENERATOR PREVENTIVE MAINTENANCE AND REPAIR**

**OBJECTIVE:**

The intent is for Panama Equipment LLC to perform preventive maintenance (PM), Monthly Cranks, and repairs to City of Port Arthur EDC owned Generators. Services rendered by Proposer shall take place at either location address as recorded, (1) diesel 500 KW at 549 4<sup>th</sup> St. Port Arthur, TX 77640 "The Press Building," and (1) Natural Gas 200 KW at 501 Procter St. Port Arthur, TX 77640 "The Port Arthur EDC building."

**Scope of Service:**

Panama Equipment LLC to Provide Scheduled preventive maintenance (PM), repairs, Parts acquisitions, and other associated services.

**Preventive Maintenance:**

**500 KW Diesel Generator at 549 4<sup>th</sup> St. the Press Building**

**One annual Major PM:**

- Change 18 gallons of oil.
- 3 oil filters.
- 2 Fuel Filters.
- 2 Coolant Filters.
- 2 Air filters.
- Check Coolant level.
- Check Battery voltage.
- Check Output voltage.
- Run Generator for an hour and transfer power.

**Three Minor PM's:**

- Check fluid levels.
- Check Battery voltage.
- Check Output voltage.
- Run Generator for an hour and transfer power.

**Eight Monthly Cranks:**

- Run Generator for 30 Minutes every Monthly
- Every Three to Five years for an additional charge change 30 gallons of coolant, 2 coolant filters.
- Fueling day to day is an added cost with a delivery fee of \$520.00, and Fuel at market cost per gallon plus \$1.40 per

**One Natural Gas 200 KW at the Port Arthur EDC building at 501 Procter St.**

**One annual Major PM**

- Change 4 gallons of oil.
- 1 oil filters 1 Coolant Filters
- 1 Air filters
- Check Coolant level.
- Check Battery voltage.
- Check Output voltage.
- Run Generator for an hour and transfer power.

**Two Minor PM's:**

- Check fluid levels.
- Check Battery voltage.
- Check Output voltage.
- Run Generator for an hour and transfer.

This quote pricing is quoted for a 3-year contract and Priority 1 Level Response to any call outs or Generator outages for day to day or Disaster.

Priority 1 Level Callouts will have a maximum 4-hour response time and a minimum 4-hour charge for each call out at \$105 dollars an hour.

Year	Cost
2024	\$11,874.94
2025	\$11,874.94
2026	\$11,874.94
<b>Total</b>	<b>\$35,624.82</b>

Executed on the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Owner:

CITY OF PORT ARTHUR EDC.

BY: \_\_\_\_\_

Print Name: \_\_\_\_\_

CONTRACTOR:

PANAMA EQUIPMENT LLC

By: \_\_\_\_\_

Rene Trevino, Account Manager

WITNESS:

\_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_