



COMMISSION FILE NO: 26-036-3 **DATE INTRODUCED:** March 9, 2026

INTRODUCED BY: Executive Director (Signature on File in the Office of the Commission)

REFERRED BY COMMISSION CHAIRPERSON TO: Operations Committee

RELATING TO: Award of Contract S06046C03, Cat Engine 1, 2, 3, and 4 Major Overhauls at South Shore Water Reclamation Facility

SUMMARY:

The Commission is requested to authorize the Executive Director to execute on behalf of the District Contract S06046C03, Cat Engine 1, 2, 3, and 4 Major Overhauls at South Shore Water Reclamation Facility (SSWRF), with JFTCO, Inc., doing business as Fabick Cat (Fabick) in the amount not to exceed \$2,900,000. Fabick is the sole source supplier of these services.

At SSWRF, the District operates four Caterpillar (Cat) engine generators. The engine generators are fueled by either digester gas or natural gas, and they supply power to the plant electrical grid. Exhaust heat from each engine generator is recovered and used to heat digester sludge and provide heat for buildings during the heating season. Reliably producing electric power with the engine generators is critical to maintain the treatment process and to use the least costly source of power.

To maximize reliability, the engine generator equipment should be maintained in accordance with the manufacturer's maintenance schedules. These schedules recommend a major overhaul when the engines are between 37,500 and 40,000 hours of operation and internal engine wear reaches defined limits. Engines 1, 2, 3, and 4 are each nearing the 37,500 hours recommended for a major overhaul, and internal engine wear is approaching the defined limits; therefore, staff recommend performing a major overhaul, as each engine is at or near the defined limits. This is expected to occur in 2026 and 2027 on each of the four engines. Major overhauls require a contractor with specialized capabilities to perform this type of work. Under this contract, Fabick will perform a major overhaul of all four engines.

ATTACHMENTS: BACKGROUND KEY ISSUES RESOLUTION
FISCAL NOTE S/W/MBE OTHER _____

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COMMITTEE ACTION: _____ **DATE:** _____

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SUMMARY (Cont'd)

Award of Contract S06046C03, Cat Engine 1, 2, 3, and 4 Major Overhauls at South Shore Water Reclamation Facility

The work generally consists of disassembling the engines down to the engine block, replacing or reconditioning all wear items, such as cylinder heads, pistons, connecting rods, turbochargers, bearings, gaskets, sensors, and wiring harnesses. Major castings, such as the engine block, crankshafts, and camshafts, will be cleaned and inspected. In addition, Fabick will clean, inspect, and test the generator and lubricate its bearings. Finally, Fabick will test and restart the overhauled engine generator system.

The quantity of parts needing replacement or reconditioning is unknown until the actual work commences and internal parts are accessible for inspection and testing. Staff reviewed past overhaul contracts and developed a list of parts and quantities that are likely to need repair or replacement. This list was used to calculate the value for this contract. Actual parts and quantities may differ and will be documented as the work progresses. The total contract amount of \$2,900,000 is based on District experience with engine overhauls but uses current labor and parts rates. Depending upon actual work needed for the engines, it may be necessary for staff to request additional funding.

The District has made multiple attempts in the past to identify and encourage vendors to bid on this work. Staff have issued several requests for information and requests for bids to increase competition and generate interest among qualified firms. Despite these efforts, no firms were willing to submit bids under the District's terms and conditions.

In previous Cat engine overhauls, District staff could only complete the work by directly negotiating modifications to certain contract terms and conditions. Fabick is the only firm with which the District can reach acceptable contract terms. Other firms were either unwilling to accept legally required provisions, such as liquidated damages, or were uninterested in bidding due to being located out of state. Fabick is the only authorized Cat dealer and service provider in the State of Wisconsin. Fabick has also performed all maintenance and repairs on the Cat engines since installation and therefore has detailed knowledge of the District's system, operating history, and how the engines are controlled and interact with plant processes. For these reasons, District staff recommend entering into a contract with Fabick obtained through a sole source procurement.

As previously proposed by Fabick and agreed to by the District, the contract terms and conditions used in this contract and the past three contracts contain some District nonstandard terms and conditions. Those terms and conditions are primarily related to insurance and liability. These changes are generally acceptable given the limited scope of the project; however, it should be noted that the District will agree to waive Fabick's liability for indirect and consequential damages. While this waiver is not in the District's standard contract form, it is very common in contracts of this nature.

The duration of this contract is 18 months.

RESOLUTION

Award of Contract S06046C03, Cat Engine 1, 2, 3, and 4 Major Overhauls at
South Shore Water Reclamation Facility

RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that the Executive Director is authorized to execute Contract S06046C03, Cat Engine 1, 2, 3, and 4 Major Overhauls at South Shore Water Reclamation Facility with JFTCO, Inc., doing business as Fabick Cat in the amount not to exceed \$2,900,000.