

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: MIKE PRINZ, DEPUTY DIRECTOR REGIONAL OPERATIONS,
WATER DEPARTMENT
CHRISTIAN WILLIAMS, WASTEWATER TREATMENT
SUPERINTENDENT, WATER DEPARTMENT
BRANDALYN TRAMEL, PURCHASING AGENT, FINANCE
DEPARTMENT
SUBJECT: APPROVAL OF FIFTH AMENDMENT TO GENERAL SERVICES
AGREEMENT NO. F001840 WITH CARBON SUPPLY, INC.

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Water and Finance Departments that the Board of Public Utilities, by resolution, approve the Fifth Amendment to General Services Agreement (GSA) No. F001840 with Carbon Supply, Inc., Bell Gardens, California for iron sponge media removal, replacement, and disposal services for an additional one-year term and increase compensation in the amount of \$227,298, for a total amount not to exceed \$479,298.

EXECUTIVE SUMMARY

Iron sponge media removal, replacement, and disposal services are required by the Water Department to maintain the sulfide removal process from digester gas, as required by regulation and engine manufacturer's limits.

BACKGROUND

On October 29, 2018, the City Manager approved GSA No. F001840 for iron sponge media removal, replacement, and disposal services for a two-year term with three (3) one-year extension options in the amount of \$96,000 to Ciaccio Enterprises, Inc., dba KC International, Rancho Cucamonga, California.

On July 3, 2019, the City Manager approved Assignment and Assumption of GSA No. F001840 to Carbon Supply, Inc., Bell Gardens, California. The First Amendment extended the term of the Agreement and increased compensation. The Second Amendment increased compensation. The Third Amendment extended the term of the

Agreement and increased compensation. The Fourth Amendment increased compensation.

The Laguna Treatment Plant utilizes methane gas produced by the anaerobic digesters as a fuel for the co-generation engines. The engines, located in the Combined Heat and Power Facility (CHP), provide both electrical power to the plant and heat for the digestion process. Prior to utilizing the fuel at the engines, certain contaminants need to be removed to meet fuel quality standards set by the Bay Area Air Quality Management District and by the engine manufacturer. One of those contaminants, sulfides, is removed by the Iron Sponges, which use an iron oxide-laden media that periodically needs to be replaced as the active chemical is gradually depleted with the flow of gas through the unit(s). The frequency of media replacement is determined primarily by the volume of digester gas produced and treated and the amount of sulfides removed from the gas. Three to four double media replacements per year is typical; this request provides funds for five replacements.

The contractor provides all qualified labor, equipment, and transportation necessary for iron sponge media removal, replacement, and disposal services, and continues to provide satisfactory services.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On July 16, 2020, the Board, by Resolution No. 20-133BPU, approved the First Amendment to GSA No. F001840 to extend the term and increase compensation.

ANALYSIS

Carbon Supply, Inc. has submitted a written offer to extend firm fixed pricing for another one-year term. This one-year extension proposal will result in a 11% percent increase to overall pricing. Increase in price reflects the increase in freight, media manufacturing, and prevailing wage. The cost increase is based on BLS Producer Price Index (PPI) for Chemicals and Allied Products (Series ID: WPU06), showing an increase of 12.1%, Truck Transportation (Series ID: PCU484) increased 23%, and prevailing wage for laborer increased 2.85%. Carbon Supply, Inc.'s proposal is considered fair and reasonable.

Under the City's Contract/Purchase Order Modification Policy 3-08.110, the Fifth Amendment to GSA No. F001840 requires approval by the BPU.

FISCAL IMPACT

Funds for this expense have been allocated in the Fiscal Year 2022-23 budget within the Water Department, and as a regular expenditure, will be included in subsequent years' budget requests when presented to Council.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable

ATTACHMENTS

- Resolution/Exhibit A (Agreement)

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