

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: JENNIFER BURKE, INTERIM DIRECTOR, WATER
DEPARTMENT
TERRY SCHIMMEL, UTILITIES MECHANICAL
SUPERINTENDANT, WATER
BRANDALYN TRAMEL, PURCHASING AGENT, FINANCE
DEPARTMENT
SUBJECT: WAIVER OF COMPETITIVE PROCESS AND SOLE SOURCE
AWARD FOR PURCHASE OF MISCELLANEOUS CUMMINS
PARTS AND SERVICE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Water and Finance Departments that the Board of Public Utilities, by resolution, waive the competitive process and authorize award of a sole source Purchase Order (PO) for the purchase of miscellaneous Cummins parts and technical services, to Cummins, Inc, Irvine, California, in an amount not to exceed \$150,000.

EXECUTIVE SUMMARY

All replacement parts required to maintain the four (4) combined heat and power engines at the Laguna Wastewater Treatment Plant are proprietary to Cummins, Inc. They are also the only vendor that can provide, on-site factory authorized technical services, if needed.

BACKGROUND

The Laguna Treatment Plant has in service four (4) combined heat and power engine generator sets (CHP). The CHP system provides power to the plant during normal power conditions and standby power when utility power is not available. They also provide heat for various plant processes. Any one of the engine generators is capable of using either digester gas or natural gas, and all four generators may be operated simultaneously. Under normal operating conditions, engine generator(s) are operated to produce power

using all digester gas available, supplemented with natural gas. When utility power is unavailable normal operations using digester gas may resume and the other available generators may be brought on-line using natural gas if needed.

These Cummins engine generator sets were purchased and installed under contract 2010-022, File 2010-0026 with award by BPU on November 18, 2010.

In order to protect the terms of our extended major parts warranty with Cummins, Inc. the City must obtain replacement parts direct from Cummins, Inc. and use factory authorized Cummins technicians, if needed, in order to maintain operational reliability of the CHP facility.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

Not Applicable

ANALYSIS

Cummins is offering to provide access to CUMPAS, the on-line Cummins parts ordering tool at Fleet pricing.

As Cummins, Inc. is sole authorized supplier of parts and service for the Cummins engine generators, staff has determined it is in the City's best interest to award a sole source purchase order to Cummins, Inc in the amount of \$150,000.00 for the necessary parts and technical services.

FISCAL IMPACT

Funds required for this operational expense have been included in the proposed fiscal year 2019-2020 budget for Water. As a regular ongoing operating need, funds for this type of expenditure will continue to be included annually in the proposed budget for the Water Department, as approved by 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

- Attachment 1 – Letter from Cummins, Inc.

CONTACT

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