

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: DEBORAH LAUCHNER, CHIEF FINANCIAL OFFICER,
FINANCE DEPARTMENT
JOSEPH SCHWALL, WASTEWATER TREATMENT
SUPERINTENDENT, WATER DEPARTMENT
SEAN HERMES, BUYER, FINANCE DEPARTMENT
SUBJECT: WAIVER OF COMPETITIVE PROCESS AND SOLE SOURCE
AWARD FOR ULTRAVIOLET DISINFECTION SYSTEM PARTS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Finance and Water Departments that the Board of Public Utilities, by resolution, authorize a waiver of competitive process and award a sole source Blanket Purchase Order (BPO) for ultraviolet disinfection system parts, to DC Frost Associates, Inc., Walnut Creek, California, in an amount not to exceed \$825,000.

EXECUTIVE SUMMARY

All replacement parts required to maintain the ultraviolet disinfection system at the Laguna Wastewater Treatment Plant are proprietary to Trojan Technologies, Inc. and are only available for purchase through Trojan's sole western U.S. Distributor, DC Frost Associates, Inc.

BACKGROUND

In order for the Laguna Treatment Plant (LTP) to function, they must have a National Pollution Discharge Elimination System (NPDES) permit. To comply with the requirements of the permit, LTP must disinfect treated wastewater. To satisfy this requirement, on September 10, 1996, as a result of RFP 96-97-06, Council, by Resolution 22834, awarded contract No. 4957 to Trojan Technologies, Inc., London, Ontario, Canada for the purchase of an ultraviolet disinfection system for the Laguna Wastewater Treatment Plant.

Trojan Technologies has appointed D.C. Frost Associates, Inc. as its sole parts distributor for ultraviolet disinfection systems in the western United States. DC Frost Associates is

the City's only source for Trojan Technologies UV disinfection system replacement parts. On November 3, 2016, by Resolution No. 1125, the Board of Public Utilities approved a not to exceed amount of \$750,000 BPO to D.C. Frost Associates, Inc. in order for the Laguna Treatment Plant to purchase parts for the UV disinfection system. Over the past five fiscal years, the City has spent \$3,533,763.83 with DC Frost Associates to maintain the UV disinfection system.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

Not Applicable

ANALYSIS

The requested amount for the new BPO is based on the estimated parts usage from last fiscal year. All replacement parts required to maintain the ultraviolet disinfection system are proprietary to Trojan Technologies, Inc. and are only available for purchase through Trojan's sole western U.S. Distributor, DC Frost Associates, Inc. DC Frost Associates has submitted a fixed-price proposal for the standard parts for a period of one year through October 31, 2018. The proposal represents a 2% overall increase in costs over previous prices during the term of the BPO.

Ordering parts on a one-year term Blanket Purchase Order with fixed pricing allows warehouse staff to order the most commonly used parts as needed, thus reducing the cycle time to restock inventory. Orders placed against the new Blanket Purchase Order in cumulative will not exceed \$825,000.

FISCAL IMPACT

Funds required for this operational expense have been appropriated in the fiscal year 2017-18 adopted budget of the Water Department. 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.

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 – 2017-2018 Estimated Expenditures

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