

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: CHAIR AND BOARD MEMBERS
FROM: BRANDALYN TRAMEL, PURCHASING AGENT

SUBJECT: APPROVAL OF WAIVER OF BID AND ISSUANCE OF ONE YEAR
BLANKET PURCHASE ORDER TO CUMMINS, INC. FOR
PURCHASE OF MISCELLANEOUS PARTS AND TECHNICAL
SERVICES

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by Santa Rosa Water and the Finance Department that the Board of Public Utilities, by motion, approve the waiver of competitive bid and issuance of a one-year Blanket Purchase Order (BPO) to Cummins, Inc., of Irvine, California, for the purchase of miscellaneous parts and technical service for the combined heat and power engines for a total amount not to exceed \$275,000.

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., and they are the only factory-authorized vendor to provide on-site technical services. This BPO facilitates procurement of parts and services to perform routine maintenance of the engines.

BACKGROUND

The Laguna Wastewater Treatment Plant (LTP) operates four (4) combined heat and power (CHP) engine generator sets. The CHP system provides power to the LTP under normal conditions and when utility power is not available as well as providing heat for the digestion process at LTP. Each engine generator can operate on either digester gas or natural gas. Under normal operating conditions, engine generators are operated to produce power using all available digester gas, supplemented with natural gas.

When utility power is unavailable, normal operations using digester gas continue and the other available generators are brought on-line using a variable mixture of digester gas and natural gas, if needed.

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The Cummins engine generator sets were purchased and installed under contract 2010-022, File 2010-0026 and awarded by the Board of Public Utilities (BPU) on November 18, 2010. All four engines are due for the factory-recommended 24,000-hour service and require extensive maintenance.

On August 19, 2021, the Assistant City Manager approved a waiver of competitive process and issuance of a sole source BPO (165147) with Cummins for parts and technical service. BPO 165147 is expiring at the end of November. A new blanket purchase order must be issued to continue service and repair for the Cummins engines.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

Not Applicable

ANALYSIS

With this purchase order, Cummins is offering to provide the City access to CUMPAS, the on-line Cummins parts ordering tool at Transit Dealer price. Transit Dealer pricing averages approximately 24% percent discount from fleet pricing, which is the alternative pricing structure absent the BPO.

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 BPO to Cummins, Inc. in the amount not to exceed \$275,000 to obtain the necessary parts and technical services to complete required maintenance.

FISCAL IMPACT

Funds required for this operational expense have been included in the fiscal year 2023-2024 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

Pursuant to CEQA Guidelines Section 15378, the waiver of bid and issuance of a one-year BPO is not a project subject to the California Environmental Quality Act (CEQA) because it is not an action that has the potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. To the extent that the action could be considered a project, it is also exempt pursuant to CEQA Guidelines Section 15301 because it is intended to facilitate the maintenance of existing public facilities and mechanical equipment.

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BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable

NOTIFICATION

Not Applicable

ATTACHMENTS

- Attachment 1 – Price Update from Cummins, Inc.

PRESENTER

Richard Giordanella, Wastewater Maintenance Superintendent