

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: EMMA WALTON, DEPUTY DIRECTOR WATER REUSE, WATER
DEPARTMENT
ALAN ALTON, INTERIM CHIEF FINANCIAL OFFICER, FINANCE
DEPARTMENT
BRANDALYN TRAMEL, PURCHASING AGENT, 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 Water and Finance Departments that the Board of Public Utilities, by resolution, authorize and award a sole source Blanket Purchase Order (BPO) for ultraviolet disinfection system parts to D. C. Frost Associates, Inc., Walnut Creek, California, in an amount not to exceed \$1,050,000.

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 United States distributor, D. C. Frost Associates, Inc.

BACKGROUND

As a condition of operation, the Laguna Treatment Plant (LTP) is subject to a National Pollution Discharge Elimination (NPDES) permit issued by the North Coast Regional Water Quality Control Board. 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 Request for Proposal 96-97-06, the City Council, by Resolution 22834, awarded contract No. 4957 to Trojan Technologies, Inc., London, Ontario, Canada for the purchase of an ultraviolet (UV) disinfection system for LTP.

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Trojan Technologies has appointed D.C. Frost Associates, Inc. as its sole parts distributor for UV disinfection systems in the western United States. D. C. Frost Associates, Inc. is the City's only source for Trojan Technologies UV disinfection system replacement parts. On October 3, 2019, the Board of Public Utilities approved a blanket purchase order (BPO) with a not to exceed amount of \$850,000 to D. C. Frost Associates, Inc., by Resolution No. 1206, in order to purchase parts for the UV disinfection system. Over the past eight fiscal years, the City has spent \$5,446,419.49 on parts supplied by D.C. Frost Associates Inc. to maintain the UV disinfection system.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

The Board approved a blanket purchase order to D.C. Frost Associates, Inc. in a not to exceed amount of \$850,000 on October 3, 2019.

ANALYSIS

The requested amount for the new BPO is based on last year's expenditures as well as additional expenditures anticipated to be required over the next year. The additional expenditures are needed to account for the increase in maintenance that will be required to comply with the most recently issued NPDES permit which became effective on October 1, 2020. Specifically, the newly issued NPDES permit contains more stringent coliform limits than the previously issued permit and an increase in maintenance activities and parts replacement will be required to maintain compliance with the new limits. All replacement parts required to maintain the UV disinfection system are proprietary to Trojan Technologies, Inc. and are only available for purchase through Trojan's sole western U.S. distributor, D. C. Frost Associates, Inc. D. C. Frost Associates has submitted a fixed price proposal for the parts that are most commonly used for a period of one year through October 31, 2021. The balance of the parts listed will be priced out when needed for purchase. The proposal represents a 3% overall increase in unit costs over previous prices during the term of the BPO.

Ordering parts on a one-year term BPO 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 BPO will, cumulatively, not exceed \$1,050,000.

FISCAL IMPACT

Funds required for this operational expense have been appropriated in the fiscal year 2020-2021 adopted Water Department budget. As a regular ongoing operating need, funds for this type of expenditure will continue to be included annually in the proposed Water Department budget.

ENVIRONMENTAL IMPACT

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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 – 2020-2021 Estimated Expenditures

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