

CITY OF SANTA ROSA  
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES  
FROM: JOE SCHWALL, DEPUTY DIRECTOR WATER REUSE  
OPERATIONS  
BRANDALYN TRAMEL, PURCHASING AGENT, FINANCE  
DEPARTMENT  
SUBJECT: FIRST AMENDMENT TO GENERAL SERVICE AGREEMENT  
#F001840 WITH CARBON SUPPLY, INC.

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Water and Finance Departments that the Board, by resolution, approve the First Amendment to General Services Agreement Number (GSA) 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 \$60,000, for a total amount not to exceed \$156,000.

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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 Number 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 consented to an Assignment and Assumption of GSA Number F001840 to Carbon Supply, Inc., Bell Gardens, California from the original vendor. This First Amendment is to extend the term of the General Services Agreement and increase compensation to provide for another year of service.

The Laguna Treatment Plant (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. Two to three media replacements per year is typical; this request provides funds for three replacements.

The contractor provides to the City, 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

Not Applicable

#### ANALYSIS

On September 10, 2018, the Purchasing Department received a request from Water to procure a two-year contract with three one-year options to renew for iron sponge media removal, replacement, and disposal services. A two-year initial term with one-year options was adopted to balance the premium cost of securing long-term pricing for labor and media (which is influenced in part by volatile industrial chemical pricing) with the administrative costs of frequent contract procurement. On October 3, 2018, Request for Quotes (RFQ) 18-123, solicited by the City for iron sponge media removal, replacement, and disposal services, was opened by Purchasing staff via Planetbids. Of the twenty prospective bidders on the City's bid list, three bidders responded with written offers considered responsive and responsible to the requirements of RFQ 18-123. The offer submitted by Ciaccio Enterprises, Inc., dba KC International, was the low bid.

Carbon Supply, Inc., has agreed to extend the current Agreement with an increase in prevailing wage rates only, for an additional one-year period. The new labor rates will be effective October 29, 2020 which is the beginning of the next term of the contract. The increase in labor rates is to coincide with the current prevailing wage rates.

With approval of the First Amendment, the cumulative amount of GSA Number F001840 will be \$156,000. Under the City Code 3-08.110 Award Authority, the First Amendment requires approval by the BPU.

## FISCAL IMPACT

Funds for this expense have been allocated in the Fiscal Year 2020-21 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

- Attachment 1 - First Amendment to General Services Agreement Number F001840 with Carbon Supply, Inc.
- Resolution

## CONTACT

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