

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: EMMA WALTON, DEPUTY DIRECTOR, WATER DEPARTMENT
BRANDALYN TRAMEL, PURCHASING AGENT, FINANCE
DEPARTMENT
SUBJECT: WAIVER OF COMPETITIVE PROCESS AND SOLE SOURCE
AWARD FOR ULTRAVIOLET DISINFECTION SYSTEM PARTS
WITH TROJAN TECHNOLOGIES, INC.

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 Trojan Technologies, Inc., London, Ontario, Canada, in an amount not to exceed \$1,550,000.

EXECUTIVE SUMMARY

All replacement parts required to maintain the Trojan UV4000 ultraviolet disinfection system at the Laguna Wastewater Treatment Plant are proprietary to Trojan Technologies, Inc. and are only available for purchase from Trojan Technologies, 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 a Trojan UV4000 ultraviolet (UV) disinfection system for the Laguna Wastewater Treatment Plant.

Historically, Trojan Technologies had appointed D.C. Frost Associates, Inc. as its sole parts distributor for UV disinfection systems in the western United States, and the City has, for many years, executed BPOs with D.C. Frost Associates for the purchase of parts.

WAIVER OF COMPETITIVE PROCESS AND SOLE SOURCE AWARD FOR ULTRAVIOLET DISINFECTION SYSTEM PARTS WITH TROJAN TECHNOLOGIES, INC.

PAGE 2 OF 3

Most recently, on October 15, 2020, the Board of Public Utilities, by Resolution No. 1236, approved a one-year BPO with a not to exceed amount of \$1,050,000 to D.C. Frost Associates, Inc, in order to purchase parts for the UV disinfection system through October 31, 2021.

On March 22, 2021, Trojan Technologies, Inc. gave notice that D.C. Frost Associates, Inc. will no longer be the western United States distributor of ultraviolet disinfection system parts. instead, parts will be available through purchase directly from Trojan Technologies. The City now needs to execute a BPO directly with Trojan Technologies.

Additionally, in March 2021, Trojan Technologies, Inc. issued a bulletin to Trojan UV4000 system customers that Trojan will be reducing the parts available for the UV4000 system and is offering a final purchase date of July 31, 2022 on select items. In advance of this date, the City will need to stock a number of replacement parts to ensure parts are available when needed.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

Not Applicable

ANALYSIS

The requested amount for the new BPO with Trojan Technologies is based on historical annual expenditures plus additional budget to stock parts that will no longer be available after the last purchase date of July 31, 2022.

The agreement expressly limits Trojan's indemnities to the extent of Trojan's proportionate fault. In addition, Trojan's total liability is limited to the sum of \$500,000, which staff has determined should be adequate to address any potential damages that could be incurred in light of the fact that staff will be performing the installation of equipment and would expect to address any defects prior to incorporation.

Trojan Technologies has agreed to hold the fixed pricing offered by D.C. Frost for the parts that are most commonly used until October 31, 2021, the time at which the D.C Frost contract would have expired. After October 31, 2021, the fixed prices will be escalated by approximately 3% and will be held for a period of one-year through October 31, 2022. The balance of the parts listed will be priced out when needed for purchase.

Ordering parts on a BPO with fixed pricing will allow warehouse staff to order the most commonly used parts as needed, reducing the cycle time to restock inventory, as well as stock parts that will no longer be available after July 31, 2022. Orders placed against the new BPO will, cumulatively, not exceed \$1,550,000.

FISCAL IMPACT

Funds required for this operational expense have been appropriated in the fiscal year 2021-2022 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

This action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities, in that the project involves the purchase of replacement equipment needed to maintain an existing public facility to further public health and safety, with negligible or no expansion of use.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable

ATTACHMENTS

- Attachment 1 – Trojan Parts Pricing
- Resolution

CONTACT

Emma Walton, Deputy Director, Water Department, ewalton@srcity.org, 707-543-4516

Brian Bokkin, Treatment Superintendent, Water Department, bbokkin@srcity.org, 707-543-3417

Brandalyn Tramel, Purchasing Agent, Finance Department, btramel@srcity.org, 707-543-3706