

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES

FROM: EMMA WALTON, DEPUTY DIRECTOR - WATER REUSE, WATER
DEPARTMENT
BRIAN BOKKIN, WASTEWATER TREATMENT
SUPERINTENDENT, WATER DEPARTMENT
BRANDALYN TRAMEL, PURCHASING AGENT, FINANCE
DEPARTMENT

SUBJECT: FIRST AMENDMENT TO BLANKET PURCHASE ORDER 165147
WITH CUMMINS, INC. FOR PURCHASE OF MISCELLANEOUS
PARTS AND TECHNICAL SERVICE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Water and Finance Departments that the Board of Public Utilities, by resolution, amend Blanket Purchase Order (BPO) 165147 with Cummins, Inc., Irvine, California, for the purchase of miscellaneous parts and technical service for the combined heat and power engines in the amount not to exceed \$400,000, for a total contract amount not to exceed \$500,000.

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.

BACKGROUND

The Laguna Treatment Plant operates four (4) combined heat and power engine generator sets (CHP). The CHP system provides power to the Plant during normal power conditions and standby power when utility power is not available and provides heat for various Plant processes. 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.

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

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.

In order to protect the terms of the extended major parts warranty with Cummins, Inc., the City must obtain replacement parts directly from Cummins, Inc. and use factory-authorized Cummins technicians for technical support.

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 in the amount not to exceed \$100,000. This amendment will allow for the purchase of parts and technical support to complete the 24,000-hour factory-recommended service for all four engines.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

Not applicable.

ANALYSIS

Cummins is offering to provide access to CUMPAS, the on-line Cummins parts ordering tool at Fleet pricing.

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 amend the awarded sole source BPO with Cummins, Inc. in the amount not to exceed \$400,000.00 to obtain the necessary parts and technical services to complete necessary maintenance.

FISCAL IMPACT

Funds required for this operational expense have been included in the fiscal year 2021-2022 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, this action 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 to maintenance of existing public facilities and

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mechanical equipment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable

ATTACHMENTS

- Attachment 1 – Letter from Cummins, Inc.
- Resolution

CONTACT

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