

CITY OF SANTA ROSA  
BOARD OF PUBLIC UTILITIES

TO: CHAIR AND BOARD MEMBERS  
FROM: JENNIFER MYLES, ACTING 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

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RECOMMENDATION

It is recommended by Santa Rosa Water and the Finance Department that the Board of Public Utilities, by motion, approve a waiver of 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 services for the Combined Heat and Power (CHP) engines at the Laguna Treatment Plant (LTP) for a total amount not to exceed \$300,000.

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EXECUTIVE SUMMARY

All replacement parts required to maintain the four (4) CHP engines at the LTP are proprietary to Cummins, Inc., and they are the only factory-authorized vendor to provide on-site technical services. This blanket purchase order facilitates procurement of parts and services to perform routine maintenance of the engines.

BACKGROUND

LTP operates four (4) CHP engine generator sets. The CHP system provides [1] power to the Plant during normal operating conditions, [2] standby power when utility power is not available and [3] 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 as needed 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. Two (2) of the four (4) engines are due for the factory-recommended 24,000-hour service and all Gensets require continued scheduled and unscheduled maintenance.

On August 19, 2021, the Assistant City Manager approved a waiver of competitive process and issuance of sole source Blanket Purchase Order (BPO) 165147 with Cummins for parts and technical service. BPO 165147 expired November 2023. BPO 170889 was approved and issued on December 8, 2023. BPO 170889 is due to expire at the end of December 2024. A new blanket purchase order must be issued for Cummins to continue providing parts and technical services for the CHP 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 pricing. Transit Dealer pricing averages approximately 24% below fleet pricing, which is the alternative pricing structure absent the BPO.

As Cummins, Inc. is the 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 \$300,000 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 2024-2025 adopted budget in JL Key 86548. 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 maintenance of existing public facilities and

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mechanical equipment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Pricing Update from Cummins, Inc.

PRESENTER

Richard Giordanella, Wastewater Maintenance Superintendent