



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Works
Department No.: 054
For Agenda of: 09/19/2023
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Directors, Laguna County Sanitation District

FROM: Department Scott D. McGolpin, P.E., Director, (805) 568-3010
Director(s)
Contact Info: Martin Wilder, P.E., Interim Deputy Director, (805) 803-8755

SUBJECT: Request for Waiver on Competition in Purchase of Tertiary Filtration Permeate Pump Process Skid Replacement at the Laguna County Sanitation District Wastewater Reclamation Plant – Third Supervisorial District

County Counsel Concurrence

As to form: Yes

Other Concurrence: Purchasing Agent

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: CEO Budget

As to form: Yes

Recommended Actions:

That the Board of Directors:

- a) Approve Budget Revision No. 0009141 in the amount of \$391,300 (25% of total equipment cost), to purchase a tertiary filtration permeate pump skid replacement for fiscal year 2023-2024, funded by the release of Retained Earnings (Attachment A) (4/5 vote); and
- b) Authorize the County Purchasing Agent to waive competitive bidding requirements per County Code Section 2-39(c) to procure a tertiary filtration permeate pump skid replacement in an amount not to exceed \$1,564,975.65 (base price of \$1,320,376.00 plus sales tax of \$102,329.14 and a 10% contingency of \$142,270.51) from Veolia Water Technologies (formerly Suez Water Technologies & Solutions and parent company of Zenon), not a local vendor, without being required to conduct a formal bid process; and
- c) Determine that the proposed action is for the minor alteration of existing public facilities involving no expansion of the use beyond that which presently exists, and that the proposed action is therefore exempt from the California Environmental Quality Act pursuant to 14 CCR § 15301.

Summary Text:

This item is on the agenda in order to authorize the purchase of a tertiary filtration permeate pump process skid in an amount of \$1,564,975.65 (Attachment B), to replace the original skid installed in 2001 at the Laguna County Sanitation District wastewater reclamation plant. Pursuant to County Code Section 2-39, the Board may waive the competitive bidding requirement where there are limitations on the source or supply. The District installed a tertiary membrane filtration system as part of the Total Dissolved Solids (TDS) Reduction and Recycled Water Project put into service in 2003, and there are no other vendors that manufacture this equipment because it is specific to this company’s membrane filtration system. The skid provides all the water and air pump systems, electrical and control systems, and the chemical cleaning systems used to filter secondary effluent through the tertiary membranes. The skid is at its 20-year useful life, has many worn components, and is out of date with respect to the mechanical, electrical, and control systems. Removal of the existing skid systems is budgeted in fiscal year 2024-2025, however, due to a long lead time for delivery, procurement is required in fiscal year 2023-2024. Therefore, this action also requests a Budget Revision for the procurement amount in fiscal year 2023-2024 (Attachment A).

Background:

The Laguna County Sanitation District (District) operates a wastewater reclamation plant that serves the Orcutt and mostly unincorporated Santa Maria area. The reclamation plant underwent a regulatory upgrade between 2001 and 2003 that increased treatment to tertiary levels, allowing the highly treated water to be reused for beneficial uses. Part of the treatment process includes filtration using ultrafiltration membranes. The membrane facilities used in the plant are manufactured by Veolia Water Technologies (formerly Suez Water Technologies & Solutions and parent company of Zenon Environmental) located in Oakville, Ontario, Canada and are proprietary.

While there are other membrane system manufacturers, replacement would require a complete retrofit of the entire pump and control skid as well as the tank and membrane components at an additional cost of several million dollars. In addition, the membranes themselves have an approximate useful life of 10 years and a significant investment was made to replace all 728 membrane modules between 2021 and 2022, at a cost of approximately \$1.8 million.

Therefore, staff requests that the Board waive the competitive bid requirement and authorize the County Purchasing Agent/Chief Procurement Officer to procure the tertiary filtration permeate pump process skid replacement in the amount of \$1,564,975.65 (base price of \$1,320,376.00 plus sales tax of \$102,329.14 and a 10% contingency of \$142,270.51) from Veolia Water Technologies.

Fiscal and Facilities Impacts:

Staff is recommending the release of \$391,300, in Retained Earnings from the Laguna County Sanitation District Enterprise Fund. There is no impact to the General Fund.

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Next FY Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
LCSD Enterprise Fund	\$ 391,243.91	\$ 1,173,731.74	\$ 1,564,975.65
LCSD Enterprise Fund		\$ 250,000.00	\$ 250,000.00
Total	\$ 391,243.91	\$ 1,423,731.74	\$ 1,814,975.65

The tertiary filtration permeate pump process skid replacement is estimated to cost \$391,243.91 in fiscal year 2023-2024 (25% of total equipment cost). Upon manufacturing, delivery, and commissioning, the remainder costs are \$1,173,731.74 in fiscal year 2024-2025. In addition, installation costs by mechanical and electrical contractors in fiscal year 2024-2025 is estimated to cost \$250,000.00. These costs will be included in the fiscal year 2024-2025 Laguna County Sanitation District Requested Budget and funded from District capital reserves.

Key Contract Risks:

Purchase orders with this vendor for the tertiary filtration permeate pump skid replacement will be pursuant to the terms and conditions attached to the Veolia proposal (Attachment B).

Staffing Impacts

There are no staffing impacts with this action.

Special Instructions:

Direct the Clerk of the Board to forward a certified copy of the minute order to:

- Phung Loman, General Services Department - Purchasing Division, Chief Procurement Officer; and
- Kevin Thompson, Public Works Department, Laguna County Sanitation District Interim Manager

Attachments:

Attachment A: Budget revision, BJE #0009141

Attachment B: Veolia proposal

Authored by:

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