



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:** 01/12/2021  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Directors, Laguna County Sanitation District

**FROM:** Department Scott D. McGolpin, P.E., Director, (805) 568-3010  
Director(s)

Contact Info: Leslie Wells, Deputy Director, (805) 882-3605

**SUBJECT:** Request for Waiver on Competition in Purchase of Filtration Membranes at the Laguna County Sanitation District Wastewater Reclamation Plant – Third Supervisorial District

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**County Counsel Concurrence**

As to form: N/A

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence: Purchasing**

As to form: Yes

**Recommended Actions:**

That the Board of Directors:

- a) Approve a budget revision in the amount of \$835,357.31 to purchase tertiary filtration membranes for fiscal year 2020-2021 (4/5 vote);
- b) Authorize the County Purchasing Agent to procure membranes in an amount not to exceed \$835,357.31 (includes sales tax of \$56,502.31) from Suez Water Technologies & Solutions (parent company of Zenon), not a local vendor, without being required to conduct a formal bid process in fiscal year 2020-2021;
- c) Authorize the County Purchasing Agent to procure membranes in an amount not to exceed \$959,399.55 (includes sales tax of \$65,359.55) from Suez Water Technologies & Solutions (parent company of Zenon), not a local vendor, without being required to conduct a formal bid process in fiscal year 2021-2022 pending adoption of the fiscal year 2021-2022 budget; and

- d) Find 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 ultrafiltration membranes for the Laguna County Sanitation District wastewater reclamation plant in an amount of \$835,357.31 in fiscal year 2020-2021 and \$959,399.55 in fiscal year 2021-2022. 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 in 2003 and there are no other vendors that manufacture replacement membranes for this equipment. The membranes are used to filter the water to tertiary levels and require periodic replacement due to wear or damage. This action requests that the Board authorize the County Purchasing Agent/Chief Procurement Officer to procure new replacement membranes to replace existing worn membranes for tank #3 in fiscal year 2020-2021 and for tank #4 in fiscal year 2021-2022. Because only a partial replacement was budgeted for this fiscal year a budget revision is requested. The replacement of the remaining membranes will be included in the fiscal year 2021-2022 budget.

**Background:**

The Laguna County Sanitation District (District) operates a wastewater reclamation plant that serves the Orcutt and unincorporated Santa Maria area. The reclamation plant underwent a regulatory upgrade completed in 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 membranes used in the plant are manufactured by Suez Water Technologies & Solutions (formerly GE Water & Process Technologies and parent company of Zenon Environmental) located in Oakville, Ontario, Canada and are proprietary.

While there are other membrane manufacturers, replacement would require a complete retrofit of the tanks, including structural components, pipe connections, changing out pumps and motors, as well as electrical and control systems in addition to a complete replacement of all 728 membranes in a new proprietary configuration at an estimated cost of \$3 to \$3.5 million.

The membranes are cleaned and maintained to extend their useful lives but they are subject to wear and must be replaced periodically in order to control turbidity levels and effluent quality. Typical useful lives can vary between 5 and 10 years. All 728 500C membranes (364 per tank) have been replaced once since 2003 and a few of the second round membranes have also been recently replaced. An evaluation indicates that a complete replacement of the remaining second round membranes is now required. 240 membranes will be replaced in fiscal year 2020-2021 and 280 in fiscal year 2021-2022. While the fiscal year 2020-2021 budget did anticipate some membrane replacement, the budgeted amount is not enough to cover full cost. This action, therefore, also requests the approval of a budget revision to replace the remaining membranes in tank #3. The cost for replacing the membranes in tank #4 will be included in the fiscal year 2021-2022 budget.

Therefore, staff requests that the Board waive the competitive bid requirement and authorize the County Purchasing Agent/Chief Procurement Officer to procure the membranes in the amount of \$835,357.31 in fiscal year 2020-2021 and in the amount of \$959,399.55 in fiscal year 2021-2022.

**Performance Measure:**

Replacement of the tertiary filtration membranes on the above replacement ensures that the District can continue to provide the required level of treatment.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Next FY Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State			
Federal			
Fees			
Other:	\$ 835,357.31	\$ 959,399.55	\$ 1,794,756.86
Total	\$ 835,357.31	\$ 959,399.55	\$ 1,794,756.86

Membrane replacement costs will be covered by the requested budget revision as well as in the District’s operations and maintenance budget for fiscal year 2020-2021 and 2021-2022.

**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, Lead Buyer; and
- Martin Wilder, Public Works Department, Laguna County Sanitation District Manager

**Attachments:**

Attachment A: Budget revision

Attachment B: Membrane replacement proposal for FY 2020-2021

Attachment C: Membrane replacement proposal for FY 2021-2022

**Authored by:**

Martin Wilder, P.E. – Laguna County Sanitation District Manager, (805) 803-8750  
 Public Works Department

**Copy:**

Angela Arredondo, Laguna County Sanitation District Fiscal Analyst I