



OPERATIONS COMMITTEE

Administration Building
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Agenda Report

File #: 2022-2134

Agenda Date: 2/23/2022

Agenda Item No: 11.

FROM: James D. Herberg, General Manager
Originator: Rob Thompson, Assistant General Manager

SUBJECT:

CHANGE ORDER TO WESTAIR GASES AND EQUIPMENT FOR PLANT NO. 2 LIQUID OXYGEN EMERGENCY PURCHASE ORDER NO. 107389-OB

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Approve a Change Order to Purchase Order No. 107389-OB, with WestAir Gases and Equipment, for an additional amount of \$180,000 for Plant No. 2 liquid oxygen, for the period of February 1, 2022 through August 19, 2022, for a unit price of \$0.50 per 100CF, delivery \$180, hazmat \$20, and fuel charge \$20, for a total estimated annual amount of \$275,000; and
- B. Approve a (15%) unit price contingency.

BACKGROUND

The Orange County Sanitation District's (OC San) Plant No. 2 facility requires liquid oxygen for the secondary treatment process which must operate effectively in order to maintain compliance with our ocean discharge permit.

Due to the spread of COVID-19, hospitals and other healthcare facilities in Southern California are utilizing additional oxygen for COVID-19 treatment. OC San's primary oxygen supplier has been unable to provide all the oxygen required to meet Plant demand. Last year a second oxygen supplier, WestAir Gases and Equipment, was contracted to provide supplemental delivery of liquid oxygen when our primary source (Airgas USA, LLC) is limited or unavailable.

RELEVANT STANDARDS

- Comply with environmental permit requirements
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

PROBLEM

The current liquid oxygen Emergency Purchase Order is low on funds. This emergency purchase order is required to ensure a stable oxygen supply.

PROPOSED SOLUTION

Approve a Change Order to add funds to the Purchase Order with WestAir Gases and Equipment for the purchase of liquid oxygen.

TIMING CONCERNS

OC San requires additional funds to be in place so the existing supplemental supplier will be available during the agreement term through August 19, 2022.

RAMIFICATIONS OF NOT TAKING ACTION

Without the additional funding, the supplemental supply of liquid oxygen would discontinue, increasing the risk that OC San would not be able to provide effective secondary treatment at Plant No. 2. This risk could result in process upsets, ocean discharge permit violations, and regulatory penalties

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted in the FY 2021-2022 Operating Budget, Division 840, Plant No. 2. (Line item: Supplies, Section 6, Page 88).

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
02/23/2022	\$275,000	15%

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

N/A

MPV:JL:JS:cf:gc