



OPERATIONS COMMITTEE

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Agenda Report

File #: 2023-3130

Agenda Date: 9/6/2023

Agenda Item No: 6.

FROM: Robert Thompson, General Manager
Originator: Riaz Moinuddin, Director of Operations & Maintenance

SUBJECT:

GAS COMPRESSOR CYLINDERS FOR SPARE INVENTORY

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Sole Source Purchase Order to NEAC Compressor Service for the procurement of two spare cylinder assemblies for Digester Gas Compressors, for a total amount not to exceed \$1,936,005 including applicable sales tax and freight; and
- B. Approve a contingency of \$193,600 (10%).

BACKGROUND

The Orange County Sanitation District (OC San) has six Digester Gas Compressors, three at each treatment plant, which are used to increase digester gas pressure used as fuel in the CenGen facilities to make electricity and process heat at both plants. These Gas Compressor cylinders from Penn Process Compressors are original equipment manufacturer (OEM) parts for the units that have been in service for more than 30 years. The Penn Process line of compressors is now owned by NEAC Compressor Service.

RELEVANT STANDARDS

- 24/7/365 treatment plant reliability
- Maintain a proactive asset management program
- Operate and maintain facilities to minimize impacts on surrounding communities, including odor, noise, and lighting

PROBLEM

OC San does not intend to replace these Gas Compressors in the next 25 years. Purchasing the spare cylinders will provide equipment availability during compressor overhauls and in the event of a catastrophic failure. Replacement cylinders are not readily available and require fabrication which takes approximately one year, and refurbishment of existing cylinders takes many weeks which results in extended down-time of these critical compressors.

PROPOSED SOLUTION

Approve the purchase of two spare High Pressure and two Low Pressure cylinder assemblies, one set for each plant, for the Penn Process Compressors to maintain asset availability and minimize process downtime.

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

Failure to maintain adequate spare parts in inventory could result in extended equipment downtime affecting electrical power to both plants and ability to maintain operational permits. Unavailability of gas compressors is likely to cause the venting of methane to the atmosphere for extended periods in violation of OC San's air permits. Additionally, the spare compressor parts will facilitate compressor overhauls, limiting down-time of critical assets.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

NEAC Compressor Service is the Board of Directors approved original equipment manufacturer and is the only authorized distributor for Penn Process Compressors.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. The recommendation will be funded under the Repairs and Maintenance line item for Plant No. 2 Operations and Maintenance Department (Budget Update - Fiscal Year 2023-24, Page 39), and the available funding is sufficient for this action.

ATTACHMENT

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

- Photos/Supplemental Attachment