



OPERATIONS COMMITTEE

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Agenda Report

File #: 2021-1478

Agenda Date: 4/7/2021

Agenda Item No: 3.

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

SUBJECT:

24-MONTH / 12,000-HOUR SERVICE ON THREE THICKENING CENTRIFUGES AT PLANT NO. 1

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Sole Source Purchase Order Contract to GEA Mechanical Equipment US Inc. to perform Original Equipment Manufacturer recommended 24-month/12,000-hour service on three Thickening Centrifuges at Plant No. 1, for a total amount not to exceed \$723,158; and
- B. Approve a contingency of \$72,316 (10%).

BACKGROUND

The Plant No. 1 Thickening and Dewatering facility consists of three GEA-Westfalia (GEA) Separator Thickening Centrifuges and three GEA Dewatering Centrifuges. Thickening Centrifuges thicken the sludge feed from the primary and secondary treatment units before being fed to the anaerobic digestion process. By removing water from the solids feed stream to the digester complex, Orange County Sanitation District (OC San) has been able to increase its solids conversion capacity without building more land and energy intensive digestion structures and supporting mechanical systems.

RELEVANT STANDARDS

- 24/7/365 treatment plant reliability
- Maintain a proactive asset management program
- Comply with environmental permit requirements

PROBLEM

The Original Equipment Manufacturer (OEM), GEA, recommends a major maintenance cycle at the 24-month/12,000-hour run-time milestone to ensure the equipment's reliability and useful life expectancy. The three Thickening Centrifuges are at, or near, the 24-month/12,000-hour threshold for major service. This service is designed to prevent premature or unexpected failure of major components by replacement of major wear/tear parts with OEM parts and services.

PROPOSED SOLUTION

Approve 24-month/12,000-hour service Purchase Order Contract with GEA Mechanical Equipment US Inc., the OEM supplier, which includes parts, labor, and travel for the three Thickening Centrifuges.

TIMING CONCERNS

OC San’s Thickening Centrifuges are at, or near, the recommended 12,000-hour run-time level which increases the risk of more expensive major component failure.

RAMIFICATIONS OF NOT TAKING ACTION

Failure to maintain and service the equipment will result in higher lifecycle costs and could result in extended equipment downtime affecting operational permits and/or equipment failure.

ADDITIONAL INFORMATION

GEA Mechanical Equipment US Inc. is the only authorized distributor for GEA within OC San’s geographical region. GEA is a Board-approved sole source manufacturer for centrifuge parts and service.

CEQA

Equipment maintenance is categorically exempt from CEQA under the Class 1 categorical exemptions set forth in California Code of Regulations Section 15301. Section 15301 (Class 1) exempts from CEQA “the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use,” including “(b) Existing facilities of both investor and publicly-owned utilities used to provide electric power, natural gas, sewerage, or other public utility services”.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San’s Purchasing Ordinance. This recommendation will be funded under the Repair and Maintenance line item for Plant No. 1 Maintenance Department (Budget Fiscal Year 2021-22, Section 6, Page 92). The available funding is sufficient for this action.

A 10% contingency is requested in the event of pricing changes due to tariffs, delays in placing the order beyond the quote availability, or other unforeseeable changes.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
04/28/2021	\$723,158	\$72,316 (10%)

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

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