



# OPERATIONS COMMITTEE

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## Agenda Report

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**File #:** 2023-3052

**Agenda Date:** 10/4/2023

**Agenda Item No:** 3.

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

**SUBJECT:**

**INSTRUMENT AIR COMPRESSOR SYSTEM REPLACEMENT**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

- A. Approve a Service Contract with Air & Lube Systems, Inc. to provide an Instrument Air Compressor System at Plant No. 2, Specification No. S-2023-1402BD, for a total amount not to exceed \$205,402; and
- B. Approve a contingency of \$20,540 (10%).

**BACKGROUND**

Orange County Sanitation District (OC San) has two Central Generation Facilities (CenGen) at each plant relying on two (2) instrument air (IA) compressor systems that provide clean instrument air to critical process equipment. Instrument air control is vital to the reliable operation of the engine instrumentation and their environmental compliance systems.

The existing instrument air system at the Plant No. 2 CenGen facility is at the end of its useful life and no longer functional. As an interim solution, a temporary system is in place to serve the critical instrument air loads at the Plant No. 2 CenGen facility. The temporary system is not in accordance with the original design intent and needs to be replaced.

**RELEVANT STANDARDS**

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

**PROBLEM**

The existing instrument air system at Plant No. 2 is beyond its life cycle and no longer operable.

**PROPOSED SOLUTION**

Approve a service contract to replace the existing Instrument Air Compressor System supporting the CenGen facility at Plant No. 2 with a new system. To meet the required design specifications, the system would consist of two replacement compressors, two air dryers, associated piping, and necessary appurtenances.

**TIMING CONCERNS**

The temporary instrument air system is not as reliable as the original design and could potentially result in an extended downtime of the CenGen engines.

**RAMIFICATIONS OF NOT TAKING ACTION**

Instrument air is currently being subsidized by the Plant air system as a temporary solution. Failure to replace these compressors could result in extended equipment downtime affecting operational permits and possible loss of CenGen power production.

**PRIOR COMMITTEE/BOARD ACTIONS**

N/A

**ADDITIONAL INFORMATION**

OC San issued a Notice Inviting Bids for Specification No. S-2023-1402BD. Three sealed bids were received on August 17, 2023. The bids were evaluated in accordance with OC San's policies and procedures and were found to be responsive and responsible. The summary information of the bids received is as follows.

<b>Bidder</b>	<b>Amount</b>
Air & Lube Systems, Inc.	\$205,402
Vicon Enterprise, Inc.	\$265,000
Mehta Mechanical Company, Inc.	\$419,000

Staff recommends approving a service contract to the lowest responsive and responsible bidder, Air & Lube Systems, Inc., for \$205,402. A contingency of 10% is recommended because of pricing changes due to tariffs, delays in placing the order beyond the quote availability, or other unforeseeable changes.

**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). The available funding is sufficient for this action.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
10/04/2023	\$205,402	\$20,540 (10%)

**ATTACHMENT**

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

- Services Contract