



# OPERATIONS COMMITTEE

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## Agenda Report

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**File #:** 2026-4985

**Agenda Date:** 7/1/2026

**Agenda Item No:** 4.

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

**SUBJECT:**

**GAS COMPRESSOR INTERCOOLERS CRITICAL SPARES**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Sole Source Purchase Order to NEAC Compressor Service USA, Inc., for the procurement of two spare intercoolers for digester gas compressors in an amount not to exceed \$246,754, not including applicable sales tax and freight; and
- B. Approve a contingency of \$24,675 (10%).

**BACKGROUND**

The Orange County Sanitation District (OC San) operates six gas compressors between Plant Nos. 1 and 2 to increase the compression of methane gas generated during the anaerobic digestion process. The compressed gas is transferred to the Central Generation facilities, where it fuels the engine-generator units to produce electricity for both treatment plants.

The intercoolers are integral to maintaining equipment reliability and the continued operation of the gas compressors.

NEAC Compressor Service USA, Inc. (NEAC) is the Board of Directors approved original equipment manufacturer (OEM) representative and the sole authorized distributor of compressor equipment and replacement parts. As the sole authorized source for these OEM intercoolers, NEAC ensures compliance with manufacturer specifications and compatibility with the existing compressor systems.

**RELEVANT STANDARDS**

- Protect OC San assets
- 24/7/365 treatment plant reliability
- Maintain a proactive asset management program

**PROBLEM**

Due to the corrosive gases processed and their environments, the gas compressors intercoolers are

susceptible to corrosion, resulting in reduced performance and reliability over time. Existing intercoolers are showing early signs of corrosion and performance degradation. OC San currently has no spare intercoolers in inventory, and replacement units require a minimum lead time of 22 weeks. In the event of failure, the affected compressor could remain out of service for an extended period, increasing the risk of process disruptions and reduced plant reliability.

### **PROPOSED SOLUTION**

Approve the purchase of two OEM intercoolers from NEAC to maintain gas compressor reliability, support planned compressor overhauls, and minimize downtime associated with equipment failure or maintenance activities.

### **TIMING CONCERNS**

Timely procurement of the spare intercoolers is necessary to support planned digester gas compressor overhauls. Due to the lead time associated with these specialized OEM components, delays in procurement may affect equipment availability, overhaul scheduling, and plant reliability.

### **RAMIFICATIONS OF NOT TAKING ACTION**

Failure to maintain an adequate inventory of critical spare parts could result in extended gas compressor downtime, reducing the availability of digester gas compression and impacting electrical power generation for both treatment plants. Prolonged equipment outages may also adversely affect plant operations and OC San's ability to maintain compliance with operational and regulatory permit requirements.

### **PRIOR COMMITTEE/BOARD ACTIONS**

May 2020 - Approved Penn Process Compressors (vendor NEAC Compressor Service USA) as an Original Equipment Manufacturer (OEM) Sole Source provider for pistons and parts.

### **ADDITIONAL INFORMATION**

NEAC is the Board of Directors approved OEM representative and the sole authorized distributor for equipment and replacement components.

### **CEQA**

N/A

### **FINANCIAL CONSIDERATIONS**

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget FY 2026-2027 and 2027-2028), Section 6, Page 124, Repairs & Maintenance) and the budget is sufficient for the recommended action.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
07/22/2026	\$246,754	\$24,675 (10%)

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**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:*

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