



Agenda Report

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Originator: Riaz Moinuddin, Director of Operations & Maintenance

SUBJECT:

REPLACEMENT OF GAS FLARE PIPING AT PLANT NO. 2

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Approve a Purchase Order to Vicon Enterprise, Inc. for replacement of digester gas piping to three gas flares at Plant No. 2, Specification No. S-2022-1365BD, for a total amount not to exceed \$ 285,000; and
- B. Approve a contingency of \$ 28,500 (10%).

BACKGROUND

Digester gas is produced as a result of the solids treatment process at the Orange County Sanitation District (OC San). Digester gas must be handled in accordance with the SCAQMD and NPDES permit requirements. The digester gas produced at OC San is cleaned, compressed, and used as fuel for the Central Generation (CenGen) engines at both treatment plants. In the event the CenGen engines are unable to consume all the digester gas, the compressed digester gas is safely incinerated in the emergency gas flares located at each treatment plant.

RELEVANT STANDARDS

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

PROBLEM

The steel piping associated with three emergency gas flares at Plant No. 2 have reached the end of their useful life due to corrosion and pitting. Repairs have been made to keep the piping in service, but leaks will continue to occur until the piping is replaced.

PROPOSED SOLUTION

Approve a Purchase Order to Vicon Enterprise, Inc. for replacement of the piping associated with the Plant No. 2 digester gas flare system.

TIMING CONCERNS

Digester gas leakage due to piping corrosion associated with the flare piping at Plant No. 2 will occur unless the piping is replaced. Leaking digester gas is an environmental and safety concern.

RAMIFICATIONS OF NOT TAKING ACTION

Failure to replace flare piping could result in health and safety hazards, incidents of leaking methane into the atmosphere, and violation of OC San's air permit obligations.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

OC San issued a Notice Inviting Bids on September 21, 2022. Three bids were received as follows:

Company Name	Bid	Determination
Vicon Enterprise, Inc.	\$285,000	Responsive
J.R. Filanc Co. Inc.	\$418,000	Responsive
Metha Mechanical Company, Inc.	\$454,000	Responsive

Staff recommends awarding a purchase order contract to the lowest responsive and responsible bidder, Vicon Enterprise, Inc., for a total amount not to exceed \$285,000.

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.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This recommendation will be funded under the Repairs and Maintenance line item for Plant No. 2 Maintenance Division (FY 2022-2024 Budget, Section 6, Page 96). The available funding is sufficient for this action.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
11/16/2022	\$285,000	\$28,500 (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