

Agenda Report

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SUBJECT:

**WASTE ACTIVATED SLUDGE AND RETURN ACTIVATED SLUDGE PUMP STATION ELEVATOR
MODERNIZATION AT PLANT NO. 2**

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Approve Supplemental Service Contract to Otis Elevator Company for elevator rehabilitation services using the OMNIA Partners (formerly National IPA) cooperative contract for the Waste Activated Sludge and Return Activated Sludge Pump Station Elevator Modernization at Plant No. 2, for a total amount not to exceed \$432,400; and
- B. Approve a contingency of \$86,480 (20%).

BACKGROUND

The Orange County Sanitation District (Sanitation District) operates the Waste Activated Sludge and Return Activated Sludge Pump Stations at Plant No. 2. Staff utilizes freight elevators at each pump station for the delivery and removal of equipment from the ground level to the basement.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Participate in local, state, and national cooperative purchasing programs
- Maintain a proactive asset management program

PROBLEM

The elevators are 43 years old and have become unreliable and require regular repairs. Additionally, certain replacement parts are difficult to source.

PROPOSED SOLUTION

Approve a Service Contract for Waste Activated Sludge and Return Activated Sludge Pump Station Elevator Modernization at Plant No. 2. This Supplemental Service Contract will rehabilitate two freight elevators with new freight door panels, pumps, controllers, and car operating panels.

Since this Supplemental Service Contract will modify existing equipment, not all of which will be fully visible until the work is performed, there is a greater than typical risk for additional costs to be incurred. Staff recommends a 20% contract contingency to allow unforeseen conditions to be addressed in a timely manner.

TIMING CONCERNS

The Sanitation District will continue to incur maintenance repair costs and limited elevator availability.

RAMIFICATIONS OF NOT TAKING ACTION

Maintenance repair costs would continue, and the elevators may become inoperable if parts can no longer be procured.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

The Sanitation District utilizes a cooperative contract through OMNIA Partners, formerly National IPA & U.S. Communities, which is the largest cooperative purchasing organization for public sector procurement. The collective buying power of the unified purchasing cooperatives typically deliver value and savings for public agencies nationwide. The Sanitation District requested two proposals from the two awardees on this cooperative agreement, Otis Elevator Company and KONE. The amounts were as follows:

Engineer's Estimate	\$ 600,000
<u>Proposer</u>	<u>Amount of Proposal</u>
Otis Elevator Company	\$ 335,500
KONE	\$ 553,974

The Request for Proposal listed three items as optional alternatives which are necessary to meet the Supplemental Service Contract objectives. The proposal from Otis Elevator Company excluded the three items. Staff subsequently negotiated a revised fee including these items. The revised fee was still well below the other proposal. The Sanitation District recommends approving a Supplemental Service Contract to Otis Elevator Company for the negotiated amount of \$432,400.

CEQA

The Supplemental Service Contract is exempt from CEQA under the Class 1 categorical exemptions set forth in California Code of Regulations Section 15301 because the Supplemental Service Contract involves repairs, replacement, and or minor alteration of existing facilities involving no expansion of use or capacity. A Notice of Exemption will be filed with the OC Clerk-Recorder after the Sanitation District's Board of Directors approval of the Supplemental Service Contract.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This recommendation would be funded under the Repairs and Maintenance line item for Division 880, Plant No. 2 Maintenance (Adopted Budget, Fiscal Years FY 2020-2021 and 2021-2022, Section 6, Page 96), 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:

- Supplemental Service Contract

RD:dm:sa:gc