



CITY COMMISSION STAFF REPORT

DEPARTMENT: Utilities

DATE: January 28, 2025

SUBJECT: Motion to approve sole or single source procurements as permitted under Sec. 2-258(b) of the City Code for the following items: Anti-scalant chemical Megaflux Fe from American Water Chemicals, Corrosion inhibitor Carus 3380 from Carus LLC, Membrane cleaner PermaClean PC-77 from NALCO Water, SCADA systems maintenance at treatment plants from Jacobs, Lift Station telemetry control unit maintenance from Data Flow Systems, Inc., and Wilo for pump repairs and replacements. These purchases are subject to the City Manager's approval authority under Sec. 2-255(b) of the City Code, for Fiscal Year 2025 and subsequent years, not to exceed the budgeted funds, and subject to budget approval.

CITY MANAGER RECOMMENDATION:

The City Manager recommends approving sole and single source purchase of goods and services for Fiscal Year 2025 and subsequent years, unless operational needs change. Section 2-258(b) of the City Code permits sole source procurements under various conditions, including the standardization of supplies and services.

BACKGROUND OF ITEM:

The City's treatment plants and lift stations rely on a range of products and services standardized over many years of use and operation. Some of these are proprietary (with a sole source providing the service), while others have been standardized (to a single source) to ensure efficient operation after testing competing products through pilot or product testing, or with acknowledgement that equipment or products have been used extensively or tested and demonstrated satisfactory continuous service to the city and operations personnel have found these products or equipment more reliable or the spacing, configurations, or limitations on availability of space for multiple manufacturer's spare parts or products may limit city's capability for storing multiple manufacturer's products, or spare parts or equipment, or that for equipment to be changed city may have to significantly reconstruct a processes or facility would bring on unwarranted additional costs and complexity.

ANALYSIS:

The Utilities industry offers numerous competing products and services. However, due to the age of the treatment plants and the extensive number of lift stations requiring maintenance, the City has deliberately standardized some of its Utility systems with sole and single source products and service vendors to ensure efficient, reliable operations. Typically, staff confirms that all single source product undergoes rigorous testing against other products to prove suitability before selection and standardization through field tests. These processes demonstrate their superior suitability for the City’s actual operation or process. Often, when projects are constructed, started up and tested, chemicals or pumps, or other related equipment are tested against each other for a period of time or for demonstrating results for a particular purpose, and a product is chosen from one manufacturer’s equipment over others.

American Water Chemicals provide antiscalant chemical to prevent iron from oxidizing and precipitating during treatment so that it can be effectively removed by the membrane softening water treatment plant. Carus sells the City zinc orthophosphate is a chemical added to stabilize the treated potable water so an aggressive water doesn’t leach away metals from the walls of pipe or fittings or valves. Nalco is a company that sells a chemical solution utilized to clean the softening membranes at the city’s Water Treatment Plant. All three of these chemicals were tested against other company’s products prior to selection for use, and demonstrated to perform satisfactorily. PSI Technologies, Inc. is the sole source provider of Wilo wastewater lift station pumps, parts and related services, and funding is allocated for purchase of their services within an Operating account, a capital account, and a Capital Improvement Project account. Jacobs is an engineering firm which specializes in design, start up and operations of utility systems, and installed the current Supervisory Control and Data Acquisition System for the City in 2018, and since that installation and start-up they have been supplying maintenance services on an annual basis, and they are recommended to continue supplying these services. The City will order services and products on an as-needed basis.

FISCAL IMPACT:

The vendors for several of the requested products and the account and available funding and requested amounts are listed below.

<u>Vendor</u>	<u>General Ledger Acct. Number</u>	<u>Budgeted Amount</u>	<u>Requested Amount</u>	<u>Remaining Amount</u>
	450-911-535310-533 Water Plant – Supplies Chemicals	\$825,000.00		
American Water Chemicals	450-911-535310-533		\$60,000.00	\$765,000.00
Carus LLC	450-911-535310-533		\$50,000.00	\$715,000.00
NALCO Water	450-911-535310-533		\$40,000.00	\$675,000.00
Jacobs	450-911-534446-533 Water Plant – Maintenance - Instrumentation	\$55,000.00	\$25,000.00	\$30,000.00
	450-930-534443-535 Wastewater Transmission Maintenance - Lift Stations	\$230,000.00		

Data Flow Systems, Inc.	450-930-534443-535		\$65,000.00	\$165,000.00
PSI Technologies, Inc.	450-930-534443-535		\$35,000.00	\$130,000.00
PSI Technologies, Inc.	450-930-564700-535 Wastewater Transmission Equipment & Machinery	\$390,000.00	\$100,000.00	\$290,000.00
PSI Technologies, Inc.	453-930-563150-535-WS004 (CIP) Wastewater Transmission Improvements – Lift Stations	\$765,000.00	\$93,750.00	\$671,250.00

ALTERNATIVES:

The alternatives to utilizing these providers, their products and services would be to conduct updated and new testing, evaluate what services are provided to other utilities, set up Requests for Proposals through the City’s procurement office, and conduct field and process testing to ensure city’s operations are while engaging any number of potential vendors who must be evaluated thoroughly. The end result of this testing, procurement and selection could take extensive time, require additional outside professional resources, and may require reconstruction or pilot equipment to be rented or purchased to complete. If the City elects to consider alternative providers of these products and services it could involve significant costs and time to complete.

ATTACHMENTS:

1. Sole and Single Source Detailed List
2. Sole Source Letter from Carus LLC
3. Sole Source Letter from NALCO Water
4. Sole Source Letter from Jacobs
5. Sole Source Letter from Data Flow Systems, Inc.
6. Sole Source Letter from PSI Technologies, Inc.