



**CITY OF MILPITAS
AGENDA REPORT
(AR)**

Item Title:	Approve and Authorize the City Manager to Execute Amendment No. 2 to the Rental Agreement with PSI Water Technologies Inc. for the Rental of a Monoclor RCS Trailer for a total Amount Not-to-Exceed \$106,380.00.
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	8/17/2021
Staff Contact:	Tony Ndah, Public Works Director, 408-586-2602
<u>Recommendation:</u>	Approve and authorize the City Manager to execute Amendment No. 2 of the Rental Agreement with PSI Water Technologies Inc. for the rental of a Monoclor RCS Trailer for a total amount not-to-exceed \$106,380.00.

Background:

On October 27, 2020, the City entered into an agreement with PSI Water Technologies Inc. in the amount of \$38,880.00 for the rental of a Monoclor Residual Control System (RCS) trailer for use at Gibraltar Water Pump Station (641 Gibraltar Court). Amendment No. 1 with PSI Water Technologies Inc. was executed to extend the term for the rental agreement to August 31, 2021, and to amend the monthly rental amount from \$6,000.00 a month to \$4,500.00 a month, for a total of \$22,500.00, resulting in a total amount not-to-exceed \$61,380.00 for the agreement.

The Monoclor RCS is an automated disinfectant boosting system that gives operators the ability to set and control disinfectant residual levels in water storage tanks and key locations in the distribution system. The Monoclor RCS utilizes advanced water quality sensors, powerful active mixing, an automated chemical feed system, and advanced control algorithms to set and maintain disinfectant residual levels in water storage tanks and the distribution system.

Previously, the City's Water Systems Operator would perform the water quality chloramination work manually, spending a minimum of 30 hours a year to perform the same work. The mobile chloramination trailer system is mostly automated and replaces the need for manual treatment that occurs now, saving staff hours and manual pumping costs associated with the manual treatment, while also providing higher, more consistent water quality, and allowing higher volume storage, improving the City's emergency response capacity and readiness.

Utilizing the mobile chloramination trailer achieves efficiency savings by allowing the Water Systems Operator to focus more on regular maintenance work.

Analysis:

On June 1, 2021, the City Council approved and adopted the Fiscal Year 2021-2022 operating budget which included the recommendation to provide one-time funding for the rental of a water quality chloramination trailer for 12 months to allow the Public Works Department adequate time to continue to evaluate the performance of the unit before purchasing. Any costs required for the purchase of the unit will be evaluated and considered as part of the Fiscal Year 2022-2023 annual budget process.

Therefore, staff recommends the City Council approve Amendment No. 2 with PSI Water Technologies Inc. to further extend the term period date from August 31, 2021 to June 30, 2022 for a total amount of \$45,000, which would result in a total not-to-exceed amount \$106,380.00.

Policy Alternatives:

Alternative 1: Direct City staff to revert to performing water quality chloramination work manually.

Pros: Proposed funding for the rental of the unit could be used for other services.

Cons: Staff would not have the opportunity to evaluate the benefits of using the water quality chloramination trailer.

Reason not recommended: Utilizing the mobile chloramination trailer will achieve efficiency savings by allowing the Water Systems Operator to focus on more regular maintenance work. In addition, this will result in the savings of electrical pumping costs, potentially as much as 85% less than what is being paid now.

Fiscal Impact:

This amendment would be funded from the Fiscal Year 2021-2022 operations budget of the Public Works Department for an amount not to exceed \$54,000.00, for a total amount not-to-exceed \$106,380.00.

California Environmental Quality Act:

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, this action does not qualify as a "project" for the purpose of CEQA as this action has no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Recommendation:

Approve and authorize the City Manager to execute Amendment No. 2 of the Rental Agreement with PSI Water Technologies Inc. for the rental of a Monoclor RCS Trailer for a total amount not-to-exceed \$106,380.00.

Attachments:

1. Amendment No. 2 with PSI Water Technologies Inc.
2. Final Amendment No. 1 with PSI Water Technologies Inc.