



Agenda Report

22-1198

Agenda Date: 12/6/2022

REPORT TO COUNCIL

SUBJECT

Action on Award of a Purchase Order to Shape, Inc. for Flygt N-Series Sewer Lift Station Wastewater Pumps and Related Budget Amendment and a Class 1 CEQA Categorical Exemption

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The Water & Sewer Utilities Department operates and maintains eight lift stations that collect and distribute wastewater through more than 270 miles of sewer lines to the San José-Santa Clara Regional Wastewater Facility. Depending on the required capacity, each lift station may operate anywhere from one to six pumps. Currently, there are 31 wastewater pumps in operation.

The lift stations were designed and constructed to house the Flygt N-Series wastewater pumps manufactured by Xylem Inc. For this reason, the Department is seeking to make a brand name purchase of Flygt N-Series pumps which can only be purchased from Shape, Inc. (Shape). Shape is the sole authorized distributor of Flygt pumps in Northern California for the replacement of wastewater pumps that are at end of life.

DISCUSSION

This recommendation meets one of the single/sole source criteria in Section 2.105.280 of the City Code, which reads, "When required to ensure operation or function to match other products with respect to the repair, expansion, or completion of a system, existing structure or program currently in use by the City, including, but not limited to, utility and technology purchases required to achieve interoperability with existing systems or programs."

Notwithstanding, staff posted a Request for Information (RFI) which was posted on the City's e-procurement system and distributed to approximately 1,900 vendors. The purpose of the RFI was to provide notice to the vendor community of the City's intent to issue a brand name/single source purchase order to Shape, and for respondents to provide cut sheets and data demonstrating their pump would meet the City's performance requirements. In addition, respondents were to address any changes to the City's infrastructure to accommodate the pumps. There were no responses to the RFI.

Staff is requesting approval for the immediate purchase of six pumps for a total amount of \$421,460 plus applicable sales taxes. Pricing includes a 10% discount off Flygt's list price. All installation and related services will be performed by City staff who are trained to install, maintain, and repair Flygt pumps.

Additionally, staff is requesting approval to purchase 25 additional pumps that are on the replacement

schedule. The estimated amount to replace the remaining pumps is \$776,250 based on today's prices, plus applicable sales taxes. Future orders will be at the then current list price, which may be higher at the time of order. However, Shape has agreed to maintain a 10% discount off list price for all future orders.

The estimated total cost to replace all 31 pumps is \$1,200,000.

ENVIRONMENTAL REVIEW

The action being considered is exempt from formal environmental review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15301(b) (Class 1 - "Existing Facilities") as the activity consists of the operation, repair, and maintenance of existing public structures, facilities, and mechanical equipment, including publicly owned utilities, involving negligible or no expansion of the existing use.

FISCAL IMPACT

A budget amendment appropriating funds from the Sewer Utility Fund's unrestricted fund balance to the capital outlay budget is necessary to provide funds for this purchase. The amendment is detailed in the table below:

Budget Amendment FY 2022/23			
	Current	Increase/ (Decrease)	Revised
Sewer Utility Fund			
<u>Expenditure</u>			
Capital Outlay	\$0	\$1,200,000	\$1,200,000
<u>Ending Fund Balance</u>			
Unrestricted Ending Fund Balance	\$31,644,099	(\$1,200,000)	\$30,444,099

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220 or via email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Adopt a Class 1 Categorical Exemption Under CEQA Guidelines section 15301(b);
2. Authorize the City Manager to award a Purchase Order to Shape, Inc. for the purchase of six Flygt N-Series pumps and accessories in an amount of \$421,460 plus applicable sales taxes and

subject to the appropriation of funds;

3. Authorize the City Manager to award Purchase Orders for the purchase of 25 additional Flygt N-Series pumps and accessories through December 31, 2027 for an estimated total amount of \$776,250 plus applicable sales taxes and subject to the appropriation of funds; and
4. Approve the FY 2022/23 budget amendment in the Sewer Utility Fund to appropriate \$1,200,000 from the unrestricted ending fund balance to the capital outlay budget (**five affirmative Council votes required for the use of unused balances**).

Reviewed by: Gary Welling, Director, Water & Sewer Utilities

Approved by: Rajeev Batra, City Manager