



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 10, 2009

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Approval Of Purchase Order For Dewatering Equipment At The William B. Cater Treatment Plant

RECOMMENDATION: That Council:

- A. Authorize the purchase of a dewatering belt press from Aspen Rentals in the amount of \$376,000 for use at the William B. Cater Water Treatment Plant (Cater) pursuant to section 4.52.070 (L) of the Santa Barbara Municipal Code whereby the City Council finds it in the best interest of the City to forego normal bidding processes;
- B. Approve an increase to the existing Purchase Order in the amount of \$18,000 to allow for one additional month of the rental expenditure with Gold Coast Stabilization for a dewatering belt press; and
- C. Approve an increase to the existing Purchase Order in the amount of \$68,250 to allow the continuation of the rental expenditure for the Rain For Rent mixing tank for an additional 30 months.

DISCUSSION:

Following the Zaca Fire, increased levels of organic material in the water required the addition of significant amounts of powdered-activated carbon and coagulants during the water treatment process to meet Federal drinking water regulations. The addition of the carbon and coagulants greatly increased sludge production.

On August, 12, 2008, Council approved \$248,375 for a Purchase Order to Gold Coast Stabilization for the rental of a dewatering belt press (belt press), and \$27,375 for a Purchase Order to Rain For Rent for a dewatering mixing tank to be used at Cater. At that time, renting the equipment was considered the most prudent approach, as the persistence of the changed water quality was unknown and the rental costs were reimbursable by the State.

The water quality has stabilized over the past year, but still requires the addition of carbon and coagulants. Reimbursement from the State for the dewatering equipment will expire on December 31, 2009. Staff has analyzed the costs of purchasing versus renting the belt press and mixing tank. Staff believes the most cost effective approach is to purchase the

belt press and continue to rent the required mixing tank for a period of 30 months. This should allow sufficient time for the Advanced Treatment Project at Cater to be constructed and operational. A permanent dewatering facility is one of the components of the Advanced Treatment Project.

Bidding Process

Considering the difficulty staff had originally with locating a belt press suitable for use in a potable water system and the pending expiration date for renting the dewatering equipment at Cater, staff believed it was in the City’s best interest to conduct an informal bidding process, soliciting bids from vendors based on price and their ability to have a belt press onsite and operational by December 15, 2009. Because the purchase price is greater than \$25,000, the purchase of the equipment would be subject to a formal bidding process pursuant to the City’s Purchasing Code. The current belt press at Cater is owned by Aspen Rentals and is rented through a third-party company called Gold Coast Stabilization. Aspen Rentals submitted an acceptable low bid price of \$376,000 (tax included) for the sale of the dewatering belt press that is currently in operation at Cater.

The existing rental agreement for the belt press will expire on November 15, 2009; therefore, staff is requesting a one-month extension of the rental agreement. This will cover the time period from the expiration of the current rental agreement to the final purchase of the belt press, which is anticipated to take less than 30 days. Depending on the actual purchase date, the rental amount will be prorated.

Staff solicited bids from two vendors to purchase a mixing tank. The purchase price from Rain For Rent for the mixing tank currently on site at Cater is \$78,005, whereas the rental cost for the same piece of equipment for the next 30 months would be \$68,250, including maintenance and support. The mixing tank required significant maintenance during the past year; therefore, staff finds it in the City’s best interest to continue renting the mixing tank rather than purchasing it.

Dewatering Belt Press

<i>Company</i>	<i>Comments</i>	<i>Purchase Price</i>	<i>Rental Price for 30 months</i>
Aspen Rentals	Equipment currently in use at Cater	\$376,000	\$450,000
Environmental Machine and Services	Unsure of equipment delivery by 12/15/09	\$575,000	N/A
Mechanical Solids Dewatering Environmental Services, Inc.	Unsure of equipment delivery by 12/15/09	\$689,000	N/A

Mixing Tank

<i>Company</i>	<i>Comments</i>	<i>Purchase Price</i>	<i>Rental Price for 30 months</i>
Rain For Rent	Equipment currently in use at Cater	\$78,005	\$68,250
Baker Tanks	Does not sell tanks	NA	\$128,128

BUDGET/FINANCIAL INFORMATION:

There are adequate funds in the 2010 Cater Budget to cover this expense. On October 12, 2009, the Board of Water Commissioners voted 5/0 to recommend that Council approve staff's recommendations.

PREPARED BY: Cathy Taylor, Water System Manager/mh

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office