



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: DECEMBER 9, 2025**

FROM: PUBLIC WORKS DEPARTMENT **WARDS: ALL**

SUBJECT: FIRST AMENDMENT TO THE SERVICE AGREEMENT WITH APGN INC., DBA APG-NEUROS, OF BLAINVILLE, CANADA, FOR ASSET MANAGEMENT AND MAINTENANCE SERVICE PLAN FOR FIVE (5) NX300 AND ONE (1) NX600 TURBO BLOWERS, TO INCREASE THE AGREEMENT IN THE AMOUNT OF \$452,655, FOR A TOTAL NOT TO EXCEED CONTRACT AMOUNT OF \$801,905 AND EXTENDING THE TERM THROUGH JUNE 30, 2030

ISSUE:

Approve the First Amendment to the Service Agreement with APGN Inc., dba APG-Neuros, of Blainville, Canada, for asset management and maintenance service plan for six turbo blowers in the amount of \$452,655, for a total not to exceed contract amount of \$801,905 and extending the term through June 30, 2030.

RECOMMENDATIONS:

That the City Council:

1. Approve the First Amendment to the Service Agreement with APGN Inc., dba APG-Neuros, of Blainville, Canada, for asset management and maintenance service plan for six turbo blowers in the amount of \$452,655 increasing the not to exceed contract amount to \$801,905 and extending the term through June 30, 2030; and
2. Authorize the City Manager, or his designee, to execute the First Amendment to the Service Agreement with APGN Inc. doing business as APG-Neuros, including making any minor non-substantive changes.

BACKGROUND:

The Public Works Department Wastewater Division is responsible for the collection and treatment of wastewater generated within the City of Riverside and the communities of Edgemont, Highgrove, Jurupa, and Rubidoux. Wastewater is conveyed to the Water Quality Control Plant (WQCP) through more than 800 miles of sewer lines throughout the City. Wastewater is treated and disinfected at the WQCP so that it can be reused for irrigation or discharged to the Santa Ana River in accordance with federal, state, and local regulations.

The WQCP maintains and operates five NX300-C050 and one NX600-C070 APG Neuros turbo blowers. These blowers are critical to both the Activated Secondary treatment and the Membrane

Bioreactor (MBR) processes. Aeration provides oxygen to bacteria for treating and stabilizing the wastewater; in turn, oxygen is required by the bacteria to enable biodegradation to occur. The supplied oxygen is utilized by bacteria in the wastewater to break down the organic matter containing carbon, forming carbon dioxide. Water and air scour energy in an MBR system providing high levels of turbulent and surface contact to remove solids particles that attach to the surface of the membrane, helping to guard against irreversible membrane fouling. Membrane fouling can cause reduced production capacity, shorten membrane life, and increase operational costs.

DISCUSSION:

The Water Quality Control Plant has worked with APG Neuros to design a reliable maintenance service program for protecting the facility's six turbo blowers from unscheduled events. APG Neuros Asset Management and Maintenance Service Plan will incorporate the latest improvements and developments into the turbo blowers, proactively manage their health throughout their life cycle, ensure that the equipment is technologically up-to-date and maximizes their efficiency. The Asset Management and Maintenance Service Plan provides protection from unexpected maintenance spending through the extended warranty as well as priority supply of spare parts as needed.

The six turbo blowers are highly engineered pieces of equipment that can only be serviced by APG Neuros technicians to avoid warranty and maintenance issues. APG Neuros is the original equipment manufacturer and service provider for the five turbo blowers. Neuros turbo blowers are proprietary to APGN and cannot be serviced by another manufacturer nor can another manufacturer provide required parts and technical support. APG Neuros can provide factory trained and certified technicians who have the required knowledge, experience, and skill set with the blower technology to ensure peak performance of the equipment. The five- year service contract will extend the equipment warranty and result in better reliability.

Purchasing Resolution 24101, Section 702 "Exceptions" states "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances...(c) "When the Procurement can only be obtained from a sole source and the Manager is satisfied that the best price, terms and conditions for the Procurement thereof have been negotiated."

The Purchasing Manager concurs that the recommended action complies with Purchasing Resolution 24101, Section 702.

FISCAL IMPACT:

The fiscal impact of the action is \$90,531 per fiscal year for a total amount \$452,655 over the five-year contract term of the amendment, which expires June 30, 2030. Sufficient funds for fiscal year 2025/26 are budgeted and available in the Sewer Fund, Sewer Systems – Plant Maintenance, All Other Equip Maint/Repair account 4125400-424220. Appropriations for future fiscal years will be included in the Sewer department's budget submissions for those fiscal years to be presented to City Council for approval.

Prepared by: Ashley Gordon, Administrative Analyst
Approved by: Gilbert Hernandez, Public Works Director

Certified as to

availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer

Approved by: Kris Martinez, Assistant City Manager

Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachment:

1. First Amendment Agreement