



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 17, 2020

FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL

SUBJECT: RIVERSIDE WATER QUALITY CONTROL PLANT – SERVICE AGREEMENT WITH APGN INC., DOING BUSINESS AS APG-NEUROS, FOR ASSET MANAGEMENT AND MAINTENANCE SERVICE PLAN FOR FOUR NX300-C050 AND ONE NX600-C070 TURBO BLOWERS FOR A FIVE-YEAR TERM IN AN AMOUNT NOT TO EXCEED \$349,250

ISSUE:

Approve the Service Agreement for asset management and maintenance service plan for four NX300-C050 and one NX600-C070 turbo blowers with APGN Inc., a Canadian corporation authorized to do business in California doing business as APG-Neuros, for a five year term in an amount not to exceed \$349,250

RECOMMENDATIONS:

That the City Council:

1. Approve the Service Agreement with APGN Inc., doing business as APG-Neuros, for asset management and maintenance service plan for four NX300-C050 and one NX600-C070 turbo blowers with APGN Inc. for a five year term in an amount not to exceed \$349,250 via the use of a single source exception; and
2. Authorize the City Manager, or his designee, to execute 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 four 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 increases operational cost.

DISCUSSION:

The Water Quality Control Plant has worked with APG Neuros to design a reliable maintenance service program for protecting the facility's five 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 maximize their efficiency. The Asset Management and Maintenance Service Plan provides protection from unexpected maintenance spending through the extend warranty as well as priority supply of spare parts as needed. Selecting 'Option D' of the service plan (5 years of coverage on all five turbo blowers), is the most economically prudent and will save the City \$24,325.00 annually.

The five turbo blowers installed at the facility are highly engineered pieces of equipment that are proprietary to APG-Neuros. This technology is designed to operate at the highest efficiency and reliability, however without proper preventative maintenance performed by a factory-trained service technician, the efficiency and reliability can be negatively affected. APG-Neuros turbo blowers are customized or manufactured by APG-Neuros. The expertise required to manufacture the bearing and impeller is only available through APG-Neuros. The Veritable Frequency Drive (VFD) and Programmable Logic Controllers (PLC) operate with APG-Neuros designed software. Therefore, all replacement parts should only be purchased from APG-Neuros for proper operation and control of the turbo blowers. To remain proactive and maintain process reliability, the five-year extended maintenance contract will provide annual onsite services, refresher training for personnel, remote technical support and available remote monitoring by APG-Neuros technicians.

Section 702(c) of Purchasing Resolution 23256 allows for the exception to competitive procurement "When the Procurement can only be obtained from a sole source or timely from a single 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 recommendation is in compliance with Purchasing Resolution 23256.

FISCAL IMPACT:

The fiscal impact of the action is \$69,850 per fiscal year for an amount not to exceed \$349,250 over the five-year contract term. Sufficient funds for fiscal year 2020/21 are available in the Wastewater Divisions All Other Equip Maint/Repair account 4125400-424220. Appropriations for future fiscal years will be included in the department's budget submissions for those fiscal years and will be presented to the City Council for approval.

Prepared by: Kris Martinez, Public Works Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Kristi J. Smith, Chief Assistant City Attorney

Attachment: Service Agreement