



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JULY 20, 2021

FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL

SUBJECT: WATER QUALITY CONTROL PLANT - APPROVE THE INCREASE IN PURCHASE ORDER NO. 213494 TO ADD SALES TAXES FOR THE PROCUREMENT AND INSTALLATION OF AN ADDITIONAL SIX MILLION GALLONS PER DAY OF LEAPmbr TECHNOLOGY ZEEWEED 500D MEMBRANE BIOREACTORS FROM ZENON ENVIRONMENTAL CORPORATION, IN THE AMOUNT OF \$361,651.50

ISSUE:

Approve the increase in Purchase Order No. 213494 to add California and local sales taxes for the procurement and installation of an additional six million gallons per day of LEAPmbr Technology ZEEWEED 500D membrane bioreactors from Zenon Environmental, also known as Suez Water Technologies and Solutions, in the amount of \$361,651.50.

RECOMMENDATIONS:

That the City Council:

1. Approve the increase in Purchase Order No. 213494 to add California and local sales taxes for the procurement and installation of an additional six million gallons per day of LEAPmbr Technology ZEEWEED 500D membrane bioreactors from Zenon Environmental, also known as Suez Water Technologies and Solutions, in the amount of \$361,651.50, for a total Purchase Order of \$5,061,811.50.

BACKGROUND:

The Public Works Regional Water Quality Control Plant (RWQCP) Plant 1 uses unique technology, called LEAPmbr from ZENON Environmental Corporation (aka) Suez Water Technologies and Solutions (SUEZ), which was incorporated into the treatment process as part of the RWQCP Plant Expansion Phase I. Compared to conventional wastewater treatment, LEAPmbr produces a higher quality recycled water, requires less chemical usage and cost, provides an effective treatment for high-strength wastewater, and allows for more treatment in a compact area. This allows the City to meet both current regulatory requirements and anticipated future discharge limitations. This MBR system has been in operation at the RWQCP since September of 2017.

On November 4, 2020, the City Council approved the Procurement and Installation Agreement

and awarded a purchase order with SUEZ, in the amount of \$4,700,160, for an additional 6 million gallons per day of LEAPmbr technology.

In May 2021, all 1,536 modules that make up 32 cassettes of the LEAPmbr's were successfully installed, and final testing was completed.

DISCUSSION:

California and local sales taxes were omitted from the original amount approved by the Council. The additional sales taxes are above and beyond what can be authorized based on the November 4, 2020 approval. Section 1104 of the current Purchasing Resolution allows for change orders and states the conditions under which they are acceptable. Section 1104(c) states "Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following require Award Entity approval". The applicable condition is noted in subsection (c) which requires additional awarding entity approval when a change order exceeds "10% of the of the original contract price for Contracts and/or Purchase Orders previously approved by the Awarding Entity and the total Change Order amount will not exceed \$150,000".

Therefore, the total amount of sales taxes is \$361,651.50. This does not include any previous change order amounts. The final amount to the Purchase Order will be \$5,061,811.50. Since the project is completed, no further Change Order authority will be needed.

The Purchasing Manager concurs that the action to approve is in compliance with Purchasing Resolution 23256.

FISCAL IMPACT:

The total fiscal impact of the recommendation is \$361,651.50. Funds are budgeted and available in the Sewer Fund, Sewer Systems-Sewer Projects Account No. 9912123-440301.

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

Attachment: Agreement between City of Riverside and ZENON Environmental