ITEM NO. 11

STAFF REPORT

CITY OF OCEANSIDE

DATE: February 27, 2013

TO: Honorable Mayor and City Council Members

FROM: Water Utilities Department

SUBJECT: **PURCHASE ORDER IN THE AMOUNT OF $129,800 TO SLOAN ELECTROMECHANICAL OF SAN DIEGO FOR REPAIRS TO EQUIPMENT**

SYNOPSIS

Staff recommends that the City Council approve a purchase order in the amount of $129,800 to Sloan Electromechanical of San Diego for repairs to equipment within the Water Utilities Department; and authorize the Financial Services Director, or designee, to execute the purchase order.

BACKGROUND

Sloan Electromechanical has served the Water Utilities Department with essential repair and replacement service for pumps and equipment with minimal warranty returns for over 10 years. Other companies that have been utilized have resulted in warranty issues and lower quality products and services. Sloan has stood out as the premier service provider in this industry.

Sloan Electromechanical is also an Underwriters Laboratories, Inc. (UL) listed company, which sets them apart from other competitors and results in a higher quality product built under stringent regulations.

Due to the nature of electromechanical pumps and motors, it is necessary to send the units to a vendor for tear down before an estimate can be given for the required repairs. Based on prior experience with this vendor, the fact that they are a UL listed company and the critical nature of this equipment, staff is treating these repairs as a sole-source. Any single repair listed below would be within the purchase authority of the Department Director or City Manager, and would not require Council approval. Due to the fact that all of these motors/pumps must be sent to the vendor to facilitate repair, staff is requesting approval of a single purchase order to achieve an economy of scale.

Failure to facilitate the necessary repairs to the pumps and motors in question may result in a catastrophic failure of equipment, resulting in a sewage spill and threatening the health and safety of Oceanside citizens and visitors. Additionally, the odor scrubber

fan repair is an Air Pollution Control District compliance issue; failure to repair this fan may result in fines or other penalties against the City. It should be noted that the emergency pond pumps are a last line of defense against a sewage spill at the San Luis Rey Wastewater Treatment Plant; should these pumps fail to operate in an emergency, a sewage spill is almost certain to result. For these reasons, staff recommends Council approval of this purchase order.

ANALYSIS

Several repairs and a replacement to essential equipment are necessary to insure continued sewer service. These repairs and replacement estimates are listed below:

1. Buena Vista Lift Station Ground Water Pump- Repair cost $20,000
2. Mission Lift Station Pump #3 - Repair cost $20,000
3. Mission Lift Station Pump #1 - Repair cost $28,000
4. Lake Blvd Lift Station Pump #3 - Repair cost $20,000
5. La Salina WWTP Plant Wash Water Motor- Repair cost $19,000
6. San Luis Ray WWTP Odor Scrubber Fan- Repair cost $6,800
7. San Luis Ray WWTP Emergency Pond Pumps- Replacement cost $16,000

FISCAL IMPACT

Name	Account	Available Budget	Allocated Amount
Lift Station Upgrades	909953000722.5703.10600	$581,592	$114,000
SLR WWTP	800805721.5320	$368,079	$22,800
La Salina WWTP	800804721.5320	$ 58,470	$19,000
	Total	$1,008,141	$157,800

The available budget in the respective accounts listed above for this project is $996,982. The total cost for the purchase order is $129,800; therefore, sufficient funds are available.

CITY ATTORNEY'S ANALYSIS

Purchases should comply with Chapter 28A of the City Code.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission will be provided with an update at the March 19, 2013, meeting.

RECOMMENDATIONS

Staff recommends that the City Council approve a purchase order in the amount of $129,800 to Sloan Electromechanical of San Diego for repairs to equipment within the Water Utilities Department; and authorize the Financial Services Director, or designee, to execute the purchase order.

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