



Legislation Text

File #: 21-0274, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Erick Lee, Public Works Director
Lourdes Vargas, Utilities Manager
Nicholle Petroff, Management Analyst
Eric Jensen, Water Supervisor

SUBJECT:

Consideration of a Resolution Approving an Agreement with Variable Speed Solutions Inc. for the Purchase and Installation of a Variable Frequency Drive for Well 11A at a Cost Not-to-Exceed \$101,791.40 (Public Works Director Lee).

A) ADOPT RESOLUTION NO. 21-0101

B) APPROPRIATE FUNDS

RECOMMENDATION:

Staff recommends that the City Council adopt a resolution:

- 1) Approving an agreement with Variable Speed Solutions Inc. to install the Variable Frequency Drive system at Well 11A in the amount not-to-exceed \$101,791.40 which includes the base price of \$92,545.82 and a ten percent contingency of \$9,245.58 for purchase and installation;
- 2) Authorizing the City Manager to execute the Agreement;
- 3) Appropriating \$101,792 from the Water Fund balance.

FISCAL IMPLICATIONS:

The total amount exceeds the City Manager's approval authority per the City's purchasing policy; therefore, City Council approval of the purchase and installation of the Variable Frequency Drive (VFD) is required. An appropriation for \$101,792 from the Water Fund balance is required for the purchase. The project is approved in the Five Year Capital Improvement Plan in Fiscal Year (FY) 2022-2023 but, as explained below, the purchase was originally planned to occur after Peck Reservoir is completed in November 2022. The purchase of the VFD in the current fiscal year will allow the City to pump more groundwater locally now, and therefore purchase less imported (and more expensive) water. This move will allow the City to reduce Water Enterprise Fund expenditures by approximately \$100,000 per month. When compared to the original plan to implement VFD technology, the total savings to the Water Fund will amount to approximately \$1,000,000.

BACKGROUND:

Before the demolition of Peck Reservoir in 2020, the City's potable water supply consisted of 95%

imported water and 5% local groundwater. Since this time, the City has imported almost all of its water from the Metropolitan Water District (MWD), in partnership with West Basin Municipal Water District (West Basin).

The City has two potable water wells (Wells 11A and 15) that are used to pump groundwater in accordance with the City's groundwater rights.

DISCUSSION:

In order to effectively and efficiently utilize the City's local groundwater and comply with the pumping flow limitations, the implementation of a VFD is necessary. This equipment will allow staff to vary the power supply frequency to the motor and control the motor speed which, in turn, controls the amount of groundwater flow being pumped into the City's water system. In addition, the use of VFDs optimizes power consumption and helps pumps operate more efficiently.

Once the VFD is installed and operational, the City will be able to increase its use of local groundwater and reduce its reliance on imported water. This change will also reduce costs associated with operating the water utility.

On July 27, 2021, staff sent request for quotes (RFQ) to five vendors for the purchase and installation of the VFD. The City only received one quote, from Variable Speed Solutions, Inc. The vendor's scope of work was clearly outlined to complete the project in a timely matter. Therefore, staff recommends that the City Council authorize the City Manager to execute an agreement with Variable Speed Solutions for a total not-to-exceed cost of \$101,791.40.

As previously indicated, the implementation of the VFD was originally programmed to occur in FY 2022-2023. However, staff has developed a solution that will allow this equipment to be implemented now, before the Peck Reservoir project is completed. By implementing this equipment earlier than anticipated, the City will realize cost savings of approximately \$100,000 per month.

PUBLIC OUTREACH:

After analysis, staff determined that public outreach was not required for this issue.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW:

The City Attorney has approved the agreement as to form.

ATTACHMENTS:

1. Resolution No. 21-0101
2. Agreement - Variable Speed Solutions, Inc.
3. Quote Analysis/Proposal