


CITY COUNCIL ACTION REQUEST

Department(s): Finance	CEQA: Not a Project, File No PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.	Coordination: ESD, CAO, CMO - Budget Office	Dept. Approval: /s/ Julia H. Cooper
Council District(s): Citywide			CMO Approval:  3/3/2021

SUBJECT: ACTIONS RELATED TO THE PURCHASE ORDER FOR ROCKWELL VARIABLE FREQUENCY DRIVES UPGRADE, MAINTENANCE, REPAIR, AND INSPECTION SERVICES

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to:

1. Execute a purchase order with Buckles-Smith Electric (Santa Clara, CA), for Rockwell Variable Frequency Drives (VFD) Upgrade, Maintenance, Repair, and Inspection Services for a twelve-month period, starting on or about March 16, 2021 and ending on or about March 15, 2022, for an amount not to exceed \$650,000; and
2. Exercise up to one option to extend the term through on or about March 15, 2023 for any additional necessary VFD upgrades, maintenance, repair and inspection services, subject to the appropriation of funds.

Desired Outcome: To provide recycled water to all city and surrounding communities.

BASIS FOR RECOMMENDATION:

The Environmental Services Department requires upgraded equipment, maintenance, repair, inspection, and testing services for its Rockwell Variable Frequency Drives (VFDs) located at the Regional Wastewater Facility (RWF). VFDs help generate energy efficiencies and cost savings by providing a slow startup of large motors and reduced electrical current inrush to power the facility. Specifically, these efficiencies result in a lower electrical bill, and a reduction in co-generation cost for the RWF. VFDs also provide a longer life cycle for motors and allows the efficiency and motor protection at the highest level of performance. The current equipment within RWF VFD cabinets are obsolete and are or could become non-operational, with no replacement parts available. An upgrade is necessary for functional VFDs so the City can continue to move the raw sewage and recycle water. It is anticipated the upgrade and internal parts will have a lifecycle of seven to ten years.

Rockwell is the sole manufacturer of this equipment and will provide the upgrade through their only distributor in this region, Buckles-Smith Electric. Staff benchmarked its pricing with the pricing of two other public agencies (Monterey One Water and San Diego County Water Authority) and determined that pricing was fair and reasonable. As a couple of points of comparison: the labor rate for the City of San José is \$245 per hour while San Diego County Water Authority was charged \$306 per hour, and the average cost to service each drive to the City is \$35,664, while the cost to San Diego County Water Authority was \$50,742. Since Buckles-Smith Electric is the sole provider of this upgrade and staff has determined the City will receive fair and reasonable pricing, this purchase qualifies as a unique service pursuant to Section 4.12.235 of the City’s Municipal Code. Approval of this recommendation would allow staff to proceed with the necessary upgrades in the next 12 months, as well as address any unanticipated needs in the following year.

Climate Smart San José: The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals.

Input from a Board or Commission: The Treatment Plant Advisory Committee is scheduled to consider this item on March 11, 2021.

This council item is consistent with the City's 2020-2021 Adopted Budget City Areas Delivery Framework: "Reliable Utility Infrastructure".

COST AND FUNDING SOURCE:

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Recommendation	2020-2021 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No)
513	0762	NP/EQUIP-ENVIRONMENTAL SVCS	\$35,152,940	\$650,000	X-91	10/20/2020 30494

FOR QUESTIONS CONTACT: Jennifer Cheng, Deputy Director of Finance at Jennifer.Cheng@sanjoseca.gov