

# Agenda Report



**MEETING DATE:** Tuesday, July 9, 2024

**TO:** City Council

**FROM:** PUBLIC WORKS & UTILITIES DIRECTOR LINDBERG  
WASTEWATER DIVISION MANAGER SMITH

**SUBJECT:** SOLE-SOURCE CONTRACT WITH R.F. MACDONALD CO., LLC.  
FOR THE WASTEWATER TREATMENT FACILITY - BOILER  
REPLACEMENT, PROJECT NO. WW-24-07

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## **RECOMMENDED ACTION:**

Adopt a resolution that authorizes the sole source contract with R.F. MacDonald Co., LLC., a limited liability company for the WWTF – Boiler Replacement, Project No. WW-24-07, located at the Wastewater Treatment Facility, in the amount of \$545,153 (\$495,594 plus 10% contingency); and directing the City Manager to execute the contract.

## **BACKGROUND:**

A source of thermal energy is needed to adequately heat the anaerobic digesters at the Wastewater Treatment Facility in order to produce Class B biosolids consistent with federal regulations. Currently the heating system has become unreliable and is unable to ensure steady temperatures required for treatment in the digesters.

## **DISCUSSION:**

Traditionally, the cogeneration system was the primary source of heat and the backup boilers were the secondary source. The cogeneration system is nearing the end of its useful life and requires intermittent repairs. When the cogeneration system is not available, the boilers provide the heat to the digester system. The boilers were originally installed in the 1988 wastewater treatment facility expansion project and are operating beyond the end of their useful lives. One boiler has been permanently taken out of service due to its condition, and the second had emergency work performed on it earlier this year to keep it operational in the meantime.

The City is in the process of negotiating an interconnection agreement with PG&E to keep the cogeneration unit in operation. There is a possibility that the negotiations may fail and the cogeneration system may need to be turned off prior to its planned replacement in 2-3 years. That would leave the digester system to rely on a boiler that is failing, making the procurement of a new boiler an urgent matter.

Staff reached out to two vendors, San Jose Boiler Works and R.F. MacDonald, that supply boilers to match the existing. The replacement must be an acceptable in-kind replacement dual-fuel boiler, one that can operate on digester biogas as well as natural gas. San Jose Boiler Works was non-responsive while R.F. MacDonald was able to provide a quote for both boiler purchase and installation. R.F. MacDonald provided a letter that they are the sole-source provider for Cleveland Brooks boilers in the state of California.

City staff reviewed R.F. MacDonald's quote and found it acceptable. Due to the urgency of maintaining heat in the digesters and reasonable attempts to obtain additional quotes from vendors nearby, staff recommends approval of a sole-source contract with R.F. MacDonald for the purchase and installation of a replacement boiler in an amount not to exceed \$545,153.

**STRATEGIC PLAN:**

This purchasing agreement is consistent with Strategic Plan Priority:  
2 – Infrastructure & Environment

**FINANCIAL IMPACT:**

Funds for this purchase order are available in the Fiscal Year 2024-2025 Wastewater Enterprise Fund budget account number 0710-911-7855-14328.

**ALTERNATIVE ACTION:**

No reasonable alternatives are known at this time.

**ATTACHMENTS AND/OR REFERENCES (If any):**

1. R.F. MacDonald price quotation
2. R.F. MacDonald sole-source vendor letter