



## CITY COUNCIL AGENDA REPORT

**MEETING DATE:** Tuesday, June 10, 2025  
**TO:** CITY COUNCIL  
**WRITTEN BY:** WASTEWATER DIVISION MANAGER TELLEZ  
**RECOMMENDED BY:** PUBLIC WORKS & UTILITIES DIRECTOR LINDBERG  
**APPROVED BY:** TAMARA VIDES, CITY MANAGER

**SUBJECT:** AWARD A SOLE SOURCE PURCHASE ORDER TO VEOLIA WATER TECHNOLOGIES, INC FOR THE PURCHASE OF RECOMMENDED MAINTENANCE AND REPLACEMENT PARTS INCLUDING MANUFACTURER’S SERVICE FOR THE THREE EXISTING DISC FILTERS LOCATED IN THE RECYCLED WATER FACILITY, IN THE AMOUNT OF \$523,023.38

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### RECOMMENDATION:

Adopt a resolution authorizing the award of a sole source purchase order to Veolia Water Technologies, Inc. for the purchase of recommended maintenance and replacement parts including manufacturer’s service for the three (3) existing disc filters located in the Recycled Water Treatment Facility, in an amount not to exceed \$523,023.38 plus any final cost adjustments needed for actual freight and tax costs which will be charged at time of shipping, and authorizing and directing City Manager to execute the same.

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### BACKGROUND:

The Wastewater Division owns the Recycled Water Treatment Facility (RWTF) located at 500 Clearwater Lane. Pajaro Valley Water Management Agency (PV Water) operates a distribution system that distributes recycled water to the surrounding agriculture community. PV Water reimburses the City for the cost to operate and maintain the RWTF. Annually, the recycling facility produces an average of 90 million gallons of recycled water for local farmland use. The disc filters are a critical step in the treatment process, and a rebuild of parts that have reached the end of their useful life is recommended by the manufacturer to maintain the operation of the system.

## **DISCUSSION:**

Staff requested an inspection of the three (3) disc filters located in the water recycling facility by the existing filter manufacturer, Veolia Water Technologies, Inc, the sole source provider of Kruger parts and maintenance. The three filters were found in need of immediate repair; the maintenance, replacement, and repair of parts that need to be purchased include installation assistance from the manufacturer's authorized service representative. This recommended parts purchase will help ensure that all three (3) disc filters meet the standards and quality expected of the facility to maintain operations and meet the required Title 22 regulatory compliance.

The majority of the cost is in the purchase of new parts. There is a small charge for the manufacturer's authorized representative to assist with the installation of the parts purchased. The City's standard consultant agreement language is not written in relation to this type of manufacturer's service, and would not be recommended by staff for this application. Instead, Veolia Water Technologies, Inc. has provided their standard service terms sheet to be incorporated into the purchase order issued, and has agreed to provide the proof of insurance certificates at the minimum limits for liability automobile, and workman's compensation coverage usually required in the City's standard consultant contract. The manufacturer's standard service for the Veolia Water Technologies (formerly Kruger) is only available through Veolia Water Technologies, Inc.

Subdivision (c) of § 3-5.210 of the municipal code allows for sole source procurement for supplies, materials, and services which are unique, available only from one source, or sought to match existing equipment or supplies already in use (also known as a sole source purchase). This purchase and minor service meets all three sole-source criteria for the existing disc filter equipment.

Staff therefore recommends City Council authorize and direct City Manager to issue a sole source purchase order with standard service terms to Veolia Water Technologies, Inc. for the purchase of necessary proprietary parts and provide manufacturer's installation assistance for the three (3) disc filters, in an amount not to exceed \$523, 023.38 plus any final cost adjustments needed for actual freight and taxes which will be billed at the time of shipment.

## **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) DETERMINATION:**

This purchase of replacement parts is not a project under CEQA, as purchasing equipment parts and replacing or repairing existing equipment does not have the potential to result in either direct physical change or reasonably foreseeable indirect physical change in the environment and is exempt pursuant to CEQA Guidelines Section 15378(b)(5) and Section 15301, as the equipment and parts are being purchased to repair existing mechanical equipment.

## **STRATEGIC PLAN:**

The repair of these (3) disc filters meets our continued goal of repairing and maintaining our infrastructure, supporting the following strategic plan goal:

### **Infrastructure & Environment**

## **FINANCIAL IMPACT:**

The total amount for this purchase order is \$523,023.38. The Sewer Enterprise Fund's Water Recycling Repair & Maintenance Budget account number 532-7324 in the Fiscal Year 25/26 budget has sufficient budget available to cover the cost of this purchase.

It is noted that all expenses paid from this budget item for the repair and maintenance of the Recycled Water Treatment Facility are reimbursed by PV Water on a quarterly basis, which will be returned to the Wastewater Enterprise Fund.

## **ALTERNATIVE ACTION:**

No reasonable alternative is known. If the repairs are not made, the existing disc filter equipment will continue to deteriorate, which could significantly impact recycled water delivery throughout the growing season.

## **ATTACHMENTS AND/OR REFERENCES (IF ANY):**

- 1) Quote for the purchase and installation of parts for each of the three (3) existing disc filters
- 2) Letter confirming sole source status for existing disc filter parts and repairs from Veolia Water Technologies, Inc.