

AGENDA ITEM #: _____

DATE: September 23, 2019

CAR #: 2019-6746



CITY COUNCIL ACTION REPORT

SUBJECT: Approve expenditures of \$643,600 for the purchase and installation of a new centrifuge for the Rainbow Valley Water Reclamation Facility and related budget transfer.

STAFF PRESENTER(S): Todd Carpenter, Wastewater Superintendent; Barbara Chappell, Deputy Public Works Director

OTHER PRESENTER(S): None

Summary: Request City Council approve the expenditure of FY2020 funds for the purchase and installation of a new centrifuge at the Rainbow Valley Water Reclamation Facility using wastewater operating funds.

Recommendation:

Approve expenditure of funds in the amount of \$643,600 to purchase and install a new centrifuge, piping, and associated electrical equipment per approved plans and specifications for the Rainbow Valley Water Reclamation Facility (WRF) and related budget transfer.

Fiscal Impact: The FY2020 Capital Improvement Program budget includes \$404,000 in wastewater operating funds for the rehabilitation and replacement program at the Rainbow Valley WRF (project 60032).

The replacement of this centrifuge was planned and budgeted for FY2021. However, due to a failure of the current centrifuge, this project needs to be moved up a year and there are not enough FY2020 funds in this project. Two other CIP projects funded by wastewater operating funds will realize savings that can be reallocated to fully fund this project. Lum Lift Station Rehabilitation (project 60028) was funded at \$273,000, but only \$96,000 is needed to complete this project. Del Camino Lift Station Rehabilitation (project 60029) was funded at \$331,000, but only \$145,000 is needed to complete this project. These savings were realized because bypass pumping was not needed for the Lum and Del Camino Lift Station projects. Between these two projects, \$363,000 in wastewater operating funds remains available to complete the centrifuge project and we are requesting a budget transfer of \$239,600.

The purchase price of the new centrifuge with tax is \$563,600. The manufacturer is providing a trade-in value for the existing unit, as well as credit for a rental unit currently in operation, in the amount of \$78,800. The actual payment to the vendor will be \$484,800. There is an additional installation cost not to exceed \$80,000, provided by a separate contractor.

Background and Previous Actions

Per City of Goodyear Resolution 08-1255, all expenditures of budgeted funds in excess of \$500,000 must obtain council approval. The city has developed and approved a Capital Improvement Program for FY2020 through FY2024. The existing centrifuge at the Rainbow Valley WRF was planned to be replaced in FY2021 per this plan. A catastrophic failure of the original centrifuge in May 2019 required that the equipment be replaced with a new unit in FY2020 rather than in FY2021.

Staff Analysis

The purchase and installation of a new centrifuge for the Rainbow Valley Water Reclamation Facility. This centrifuge is necessary for processing biosolids, an essential part of meeting permit compliance. Currently, the department is renting a centrifuge from the manufacturer at a monthly lease rate in order to continue normal biosolids processing while a new centrifuge is purchased, built, delivered, and installed.

Per the approved CIP, the centrifuge at this treatment facility was planned to be replaced in FY2021 due to the age of the unit, as well as the annual costs of repairs due to wear and tear from normal biosolids processing. Due to the mechanical failure in this centrifuge unit earlier this year, replacement of the asset in FY2020 was determined to be more cost effective than the continued repair efforts required to keep the original unit functional. This replacement is necessary to keep treatment operations functional.

Attachments

None