



City Council Report

Date: September 26, 2016
To: City Council
Through: Mike Kennington, Chief Financial Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Three-Year Term Contract for GEA Westfalia Centrifuge Parts and Service for the Water Resources Department **(Sole Source) (Citywide)**

Purpose and Recommendation

Council is requested to approve the Term Contract for Centrifuge Parts and Service as recommended.

The Water Resources Department and Purchasing recommend authorizing the contract with the sole source vendor/contractor, GEA Mechanical Equipment US, Inc. at \$400,000.00 annually, based on estimated requirements.

Background / Discussion

This contract provides for the purchase of GEA Westfalia centrifuge parts, repair and maintenance services essential to effectively and safely operate all Westfalia Separator Decanters: five located at the Greenfield and four at the Northwest Water Reclamation Plants.

The centrifuges/separators located at both plants, manufactured by GEA Westfalia, use the same operating principle to conduct and perform two separate tasks of thickening sludge and dewatering sludge. This is done by pumping liquid sludge into a cylinder and spinning at a very high speed and using centrifugal force to separate the solids from the liquids. Thickening and dewatering the sludge drastically lowers the volume of sludge needing to be treated and hauled away, increasing efficiency and lowering hauling costs. Without the use of the centrifuges, the volume of liquid sludge to be hauled would increase by approximately seven times, drastically increasing hauling costs and traffic in and out of the plants.

Centrifuges are large complex pieces of machinery that operate at high speeds and produce high gravitational forces. Because of the fine tolerances needed to keep the equipment working properly, it is critical that manufacturing specification be maintained. This is best done by using factory authorized repair, service and parts. The parts and service to be performed would include centrifuge overhauls, bearing replacements, scroll retilling and parts replacement.

GEA Mechanical Equipment US, Inc. has been contracted with the City (Contract No. 2011190) since October 2011. The City has been satisfied with the sole source vendor's performance over the past five years. The Water Resources Department and Purchasing are requesting an initial three year term from 10/1/2016 through 9/30/2019, and two one-year renewals subject to the Water Resources Department, Purchasing Division and Vendor agreement on Terms and Conditions, Specifications, and Pricing.

The parts and service are provided by GEA Mechanical Equipment US, Inc., a subsidiary of GEA Westfalia Separator, Inc., the sole distributor and factory authorized repair, service and parts provider for Westfalia Separator Decanter systems, centrifuges and subcomponents. This contract with GEA maintains the conditions of the warranty for parts.

Alternatives

Council may choose not to authorize the contract with the sole source vendor/contractor. This is not recommended since the centrifuges are essential for the Northwest and Greenfield Water Reclamation Plants.

Fiscal Impact

The annual contract amount is funded by the Water Resources Department operating budget.

Coordinated With

Water Resources and Purchasing

PURCHASING INFORMATION

Action: Initial Award

Procurement Type: Sole Source

Agreement Number: 2016241

Initial Contract Term: 10/1/2016 through 9/30/2019

Renewal Terms Remaining: Two, one-year renewals through 9/30/2021 future Council consideration

AWARD RECOMMENDATION
GEA Mechanical Equipment US, Inc.
(subsidiary of GEA Westfalia Separator, Inc.)
Northvale, NJ

Description	
<u>Repair Parts</u>	
GEA Westfalia centrifuge parts are offered at a <u>10%</u> discount off their Manufacturer List Price for the term of this contract	
<u>Repair Services</u>	
Monday – Friday 7 AM – 6 PM	\$115.00 / hour
Monday – Friday Overtime	\$150.00 / hour
Saturday	\$150.00 / hour
Sunday & Holidays	\$190.00 / hour
Engineering, Testing and Training Fees	\$1,245.00 / 8-hour day
Travel Time – Weekdays	\$68.00 / hour
Travel Time – Weekends/Holidays	\$98.00 / hour
<u>Annual Maintenance Service Plan</u>	
Greenfield Facility	\$32,200.00
Northwest (Riverview) Facility	\$32,200.00
Annual Contract Amount: <u>\$400,000.00</u>	