



Staff Report

File #: 23-0894

**REQUEST FOR CITY COUNCIL AND
CORONA UTILITY AUTHORITY ACTION**

DATE: 11/15/2023

TO: Honorable Mayor and City Council Members
Honorable President and Board Members

FROM: Utilities Department

SUBJECT:
PURCHASE OF MEMBRANES FROM VEOLIA WATER TECHNOLOGIES AND SOLUTIONS

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve a purchase order and associated terms and conditions for \$664,818 with Veolia Water Technologies and Solutions to purchase new Veolia ZeeWeed 500D membrane modules for Water Reclamation Facility No. 3.

**RECOMMENDED ACTION:
That the City Council:**

- a. Approve the Purchase Order and associated amended terms and conditions with Veolia Water Technologies and Solutions for new membrane modules in the amount of \$664,818.
- b. Authorize City Manager, or his designee, to execute the Purchase Order with Veolia Water Technologies and Solutions in the amount of \$664,818, including any non-substantive extensions, change orders, and purchase orders up to the amount authorized by Corona Municipal Code Section 3.08.080(I), which is equivalent to 10% or \$66,481.
- c. Authorize an appropriation of \$664,818 from the Sewer Utility Fund 572 to the Utilities Department operating budget.
- d. Make a determination under Corona Municipal Code [Section 3.08.140\(B\)](#) that competitive bidding is not required for this purchase based upon the reasons provided in this agenda report.

That the Corona Utility Authority review, ratify, and to the extent necessary, direct the City Council to take the above actions.

BACKGROUND & HISTORY:

The Utilities Department operates Water Reclamation Facility No. 3 (WRF3), a membrane bioreactor (MBR) sewer treatment plant. This treatment combines the conventional biological process (activated sludge) with membrane filtration technology manufactured by Veolia Water Technologies and Solutions (Veolia). The membranes are semi-permeable and submerged in aerated biological reactors. The function of the membranes is to filter solids from wastewater.

ANALYSIS:

The membranes that are currently installed at WRF3 were installed in April 2023 and were used membranes procured for no cost from the City of Henderson, Nevada, Southwest Water Reclamation Facility. These used membranes had some remaining life and provided the Utilities Department an interim solution during ongoing construction delays of the WRF3 Lift Station project. However, these membranes are still approaching useful life and there is an extended lead time up to 12 months for replacement membranes. Therefore, it is in the Utilities Department's best interest to order replacement membranes to maintain compliance with the City's National Pollutant Discharge and Elimination System (NPDES) permit for WRF3. The potential fines and penalties for violating the conditions of the NPDES permit are up to \$25,000 per day and \$25 per gallon of wastewater discharged.

BASIS FOR EXCEPTION TO COMPETITIVE BIDDING

Staff believes that Competitive Bidding has been accomplished for these purchases pursuant to Corona Municipal Code (CMC) [Section 3.08.140 \(B\)](#), which states as follows:

"No competitive market." When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determines, in accordance with applicable law, that a competitive market does not exist and that no competitive advantage will be gained by the public bidding process.

Veolia is the only vendor authorized to sell these membranes to the City of Corona. As a result, there is no competitive market for this product. Staff requests approval of a purchase order in the amount of \$664,818 with Veolia for the purchase, packaging, and transportation of new Veolia ZeeWeed 500D membranes.

Veolia provided a quote of \$604,380 for 228 membrane modules plus required components and shipping/freight with an expected delivery date of 1 year from the date of issuance of the Purchase Order to Veolia Water Technologies and Solutions. The quote from Veolia did not include tax, which the City is required to pay. The tax will be added upon delivery. As such, staff has added 10% to the quote from Veolia to account for the future anticipated sales tax. The Veolia proposal included terms and conditions which have been redlined by the City of Corona and approved as to form by the City Attorney.

FINANCIAL IMPACT:

Approval of the recommended actions will result in an appropriation of \$664,818 from the Sewer Utility Fund (572) to the Utilities Department operating budget. There is sufficient working capital in the Sewer Utility Fund (572) for the recommended actions.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action involves the purchase of membranes for the sewer treatment process, and there is no possibility that the recommended actions will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: MAURO CASAS, DEPUTY CHIEF WATER RECLAMATION OPERATOR

REVIEWED BY: TOM MOODY, DIRECTOR OF UTILITIES

Attachments:

1. Exhibit 1 - Veolia Quote, Terms and Conditions