



Gregory L. Geist
Director

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a Materials and Services Agreement between Atlas Copco Compressors LLC, and
Clackamas County Service District No.1
for the Tri-City Water Resource Recovery Facilities Process Air Blower Systems

Purpose/Outcomes	Enact section I. A. paragraph 3. (“Service Plan”) of the settlement agreement (Board Order # 091516 V1.1&2) between Atlas Copco Compressors LLC and the Districts to provide a 10 year full service and warranty plan for the Process Air Blower Systems.
Dollar Amount and Fiscal Impact	Funding is available in the FY2017-18 budget and will carry over through FY2028-29 budget years. The agreement is for an amount not to exceed \$50,000 per year over a 10 year period in accordance with the 2016 settlement agreement, with a total amount not to exceed of \$500,000.
Funding Source	Clackamas County Service District No. 1 & WES Operating Funds. No General Funds impacted.
Duration	Ten years
Previous Board Action/Review	Approval of Settlement Agreement 091516 V1. 1&2
Strategic Plan Alignment	<ol style="list-style-type: none"> 1. This project supports the WES Strategic Plan to provide partner communities with reliable wastewater infrastructure to serve existing customers and support future growth. 2. This project supports the County’s Strategic Plan of building a strong infrastructure that delivers services to customers.
Contact Person	Randy Rosane, PE, Project Manager WES, 503-742-4573
Contract No.	N/A

BACKGROUND:

The HSI HT-Series Turbo blowers provided as part of the Tri-City Water Pollution Control Plant Phase I Expansion were installed in April 2011 to serve the existing conventional activated sludge (“CAS”) treatment system for the Tri-City Service District (“TCSD”) and a new membrane bioreactor (“MBR”) treatment system constructed by Clackamas County Service District No.1 (“CCSD#1”). These critical pieces of equipment move large volumes of air into the treatment process and are essential for plant operations.

The Turbo blowers were chosen because of their high energy efficiency ratings. However, the blowers experienced significant problems immediately upon installation, and failed to perform as advertised.

Atlas Copco Compressors, LLC met with WES and CCSD#1 and informed them that Atlas Copco Compressors LLC acquired HSI and that they were going to take responsibility for the acquired company's failures and replace all the blowers with reliable proven technology at no cost to WES and CCSD#1. In return the Districts would enter into a settlement agreement. The Districts accepted and the Board of County Commissioners approved and executed the settlement agreement on September 15, 2016.

In addition to the standard manufacturer's warranty, Atlas Copco Compressors, LLC offered a five year no-cost total responsible service agreement that provides for all the yearly preventative maintenance requirements, all part replacement and labor and or full blower replacement if needed. They also extended the offer to provide the services at a 50% discount or \$50,000/year, whichever is less, for a period of 10 years.

The operations and maintenance staff have requested the 10 year option citing their annual costs internally could meet or exceed the service agreement cost without the 10 year guarantee of parts labor and/or replacement.

This Agreement has been reviewed and approved by County Counsel.

RECOMMENDATION:

District staff recommends the Board of County Commissioners of Clackamas County, acting as the governing body of Clackamas County Service District No.1, approve the 10 year Materials and Service Agreement for an amount not to exceed \$50,000 per year, with a total amount not to exceed of \$500,000.

Respectfully submitted,

Greg Geist, Director
Water Environment Services

Placed on the _____ agenda by Procurement.