



## **Andritz Centrifuges and Maintenance Parts Contract (Ordinance S-44666)**

Request to authorize the City Manager, or his designee, to enter into a contract with Andritz Separation, Inc. to provide parts and services for two centrifuges for the Water Services Department. Expenditures are not to exceed \$4,200,000 over the life of the contract. Further request authorization for the City Controller to disburse all funds related to this item.

### **Summary**

The Water Services Department has two centrifuges located at the Union Hills Water Treatment Plant. The centrifuges are used to dewater sludge during the water treatment process. Maintenance, repairs, and parts are required to keep the equipment in optimum working order. This contract will allow Water Services to procure the parts and services necessary for equipment maintenance throughout its useful life.

### **Procurement Information**

Under the City Code Section 43-11(D) and the City's Administrative Regulation 3.10, the competitive procurement was waived as a result of a Determination Memo citing Andritz is the sole source for its goods and services, and does not certify other vendors to supply parts.

The Water Services Department requests a waiver from Phoenix City Code Section 42-18(B). Andritz seeks to limit the City's ability to obtain legal redress, damages, or other compensation in the contract. If the City Council approves this waiver, the City's sole remedy for breach would be contract cancellation.

The Water Services Department also requests a waiver from Phoenix City Code Section 42-18(C). Andritz seeks to restrict the standard indemnification terms. Andritz will only agree to defend and indemnify the City for liability arising out of Andritz's sole negligent or willful acts. If the City Council approves this waiver, allegations of wrongdoing against the City or a third party will require the City to defend and resolve any litigation itself.

### **Contract Term**

The contract will be for ten years with two ten-year options to extend, effective July 1,

2018, through June 30, 2048.

**Financial Impact**

Expenditures are not to exceed \$4,200,000 over the life of the contract. Funding for the contract is available in the Water Services Department's operating budget.

**Responsible Department**

This item is submitted by Deputy City Manager Karen Peters and the Water Services Department.