

Office of the County Auditor
Auditor's Analysis

Council Bill No. 16-2020

Introduced: May 4, 2020

Auditor: Monica Kearns

Fiscal Impact:

The estimated fiscal impact of this legislation is an increased annual cost of approximately \$24,300, based on County costs incurred since 2017.

The cost of the service agreement is \$57,300 annually, or \$573,000 for the life of the 10-year agreement. This is offset by the current annual cost of approximately \$33,000 for replacement parts and service. The Department of Public Works (DPW) reports that annual repair and service costs are likely to rise in the near-term.

Additional costs under the agreement could include repairs or services not included under Section 2 of the proposed agreement, or costs for County-owned communication or technology interfaces and equipment as noted under Section 4.4 of the proposed agreement.

We have asked for information on known parts that may not be covered, and equipment or technology interfaces needed.

Purpose:

The legislation would authorize a 10-year agreement for a warranty, maintenance, and service for five aeration blowers at the Little Patuxent Water Reclamation Plant.

The legislation states that the current blowers are more than seven years old and some of the major components have failed or are expected to fail soon (see page 1, line 7).

Other Comments:

The DPW has indicated that complete replacement of the five blowers would cost approximately \$2.5 million.

The effective date of the contract is April 6, 2020. *We have asked if the effective date will be changed.*

The agreement would be a sole source procurement with APG-Neuros, a Canadian company, because no other vendor can provide the required service, according to the legislation (see page 1, line 22). *We have asked from which vendor the current blowers were purchased.*