



Agenda Report

April 27, 2009

To: CITY COUNCIL

From: CITY MANAGER

Subject: AUTHORIZATION TO ENTER INTO A CONTRACT WITH HORIBA INSTRUMENTS INCORPORATED FOR DESIGN AND RETROFIT OF CONTINUOUS EMISSIONS MONITORING SYSTEMS (CEMS) TO MONITOR EMISSIONS FROM THE EXISTING STEAM ELECTRIC GENERATING UNIT BROADWAY 3 (B-3).

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to enter into a contract with Horiba Instruments Incorporated (Horiba) for design and retrofit of the existing Unit B-3 CEMS for an amount not-to-exceed \$124,000.

The proposed contract is exempt from competitive bidding pursuant to City Charter Section 1002 (f), contracts for professional or unique services.

BACKGROUND:

Currently, Unit B-3 is equipped with four CEMS that measure and report the air pollutants in the exhaust gases to determine compliance with air permits issued by the South Coast Air Quality Management District (SCAQMD) and United States Environmental Protection Agency (USEPA). Air quality regulations require CEMS to be calibrated daily and certified periodically to ensure accuracy of the reported data. Penalties for non compliance or malfunctioning of CEMS are significant.

These CEMS were designed, furnished, and installed by Horiba approximately 20 years ago. Replacement of this equipment before it fails is being recommended.

Each CEMS consists of a probe that collects the gas sample, a sample line that conveys the gas sample from the probe to the measuring instruments and the cabinet where sample conditioning and measuring equipment is housed. Horiba no longer manufactures parts nor provides technical support for these antiquated CEMS. These CEMS have outlived their typical service life of ten years and are beginning to show signs of performance degradation requiring frequent maintenance. Based on plant

personnel assessment, these CEMS will not last until 2014 when Unit B-3 is scheduled to be decommissioned. In the event these analyzers fail, the City of Pasadena (City) will not be able to find replacement parts and will be out of compliance with the SCAQMD and USEPA requirements. As a result, the Pasadena Water and Power Department (PWP) will have to seek variance from SCAQMD and expedite repair or most likely replace the CEMS. Depending on the SCAQMD decision, PWP may have to report high default emissions, pay penalties and potentially restrict Unit B-3 operation. These regulatory sanctions, in addition to cost, could affect the reliability of the City's electrical system. Therefore, it is prudent to install a new CEMS before any major breakdown.

The proposed contract will provide for replacement CEMS with new analyzers, all necessary modifications and component replacements to the existing systems to obtain the operability and reliability, as well as compliance with all regulatory requirements.

A Request for Proposal (RFP) for Design and Retrofit of the Existing Unit B-3 CEMS was issued on February 4, 2009 to three firms and all of them responded. The proposals received were independently evaluated by five City staff based on the criteria stated in the RFP and the evaluation yielded the following scores:

<u>BIDDERS</u>	<u>EVALUATED SCORE</u>
HORIBA Instrument Inc.	86
THERMOFISHER Scientific	65
CEMTEK Environmental	64

Horiba met the requirements of the RFP, received the highest evaluated score and is therefore recommended for award of the proposed contract.

The proposed contract amount of \$124,000.00 is based on Horiba's proposed price of \$112,924.00 and a contingency of \$11,077.00 (approximately 10%) to accommodate any change orders if needed.

The proposed contract complies with the Competitive Bidding and Purchasing Ordinance, Pasadena Municipal Code, Chapter 4.08 and the Living Wage Ordinance, Pasadena Municipal Code 4.11.

FISCAL IMPACT:

Funding is available in the approved FY 2009 Capital Improvement Program, Budget No. 3148 for B-3 Renewals, Replacements, and Improvements Project.

Respectfully submitted,



Michael J. Beck
City Manager

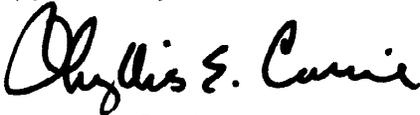
Prepared by:



for

Wes Stengel
Associate Engineer
Power Supply Business Unit

Approved by:



Phyllis E. Currie
General Manager
Water and Power Department

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name:
HORIBA Instruments Inc.

2. Type of Entity:
 non-government nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

Masayuki Adachi, President
Neal Harvey, Vice President Operations
David Horstman, Vice President P & E Segment

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

Prepared by: Stella Aranda
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Date: March 10, 2009