

Agenda Report

November 2, 2009

TO: City Council

FROM: City Manager

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH POWER ENGINEERS INC. FOR OWNER'S ENGINEERING SERVICES AND WORLEYPARSONS GROUP INC. FOR AIR QUALITY ANALYSIS AND PERMITTING SERVICES TO SUPPORT THE REPOWERING PROJECT AT THE BROADWAY POWER PLANT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the contracts proposed herein are exempt from CEQA pursuant to State CEQA Guidelines Section 15061 (General Rule).
2. Authorize the City Manager to enter into contract with Power Engineers, Inc. to perform owner's engineering services for the Broadway Repowering Project at the Broadway Power Plant (Broadway Repowering Project) for an amount not-to-exceed \$3,000,000 or up to the completion of the Broadway Repowering Project, but not to exceed seven years; whichever occurs first. The proposed contract is exempt from competitive bidding pursuant to City Charter Section 1002 (F), contracts for professional or unique services; and
3. Authorize the City Manager to enter into a contract with WorleyParsons Group, Inc. to perform air quality analysis and permitting services for the Broadway Repowering Project for an amount not-to-exceed \$255,000. The proposed contract is exempt from the competitive bidding pursuant to City Charter Section 1002 (F), contract for professional or unique services.

BACKGROUND:

On March 30, 2009, the City Council approved the 2009 Power Integrated Resource Plan (Plan). The Plan was developed to identify the preferred resources to satisfy PWP's electric power requirements over the next twenty years. The preferred resources

include energy efficiency, demand side management, renewable resources, new local gas-fired generation, and other supply side resources.

One of the resources, new local gas-fired generation, involves the installation of new 65 MW gas-fired combined cycle plant by 2014 to replace the inefficient existing 65 MW Broadway Unit B3. This is referred to as the Broadway Repowering Project. The new unit, which will be located in the Broadway Steam Plant, will have a higher efficiency, superior operational flexibility, and lower air pollutant emissions than the existing Unit B3.

The major work in the Repowering Project includes: (1) environmental studies and permitting; (2) modification of the existing railroad private crossing to provide truck access during demolition and construction; (3) development of the site for the proposed power plant operation center; (4) demolition of the retired Units B1 and B2 as well as the existing administration and service buildings to provide the site for the proposed combined cycle plant; (5) design and construction of new power plant operation center that will accommodate the new control room, administration office, maintenance shops, and chemical laboratory; (6) design and installation of the new 65 MW combined cycle plant; and (7) life extension of existing Units GT-1 and GT-2.

In order to protect PWP's interest and ensure project success, PWP needs an owner's engineer to provide technical expertise and assist PWP staff to manage the Broadway Repowering Project. The owner's engineer will assist PWP in developing specifications, cost estimate, and detailed schedules; reviewing contractor's bid; performing conceptual design and unit selection; managing the demolition contract for the old unit; managing the design and construction contract for the new unit and power plant operation center, review of design drawings; and assist PWP in the final acceptance of the work. PWP, with the help of the owner's engineer, will purchase the major equipment with a long-lead delivery time to save money and to meet the proposed commercial operation date of 2014.

In addition to the owner's engineer, PWP needs an air quality and permitting consultant (Air Consultant) to advise, perform air quality analysis, prepare and obtain the necessary air quality related approvals, certification, and permits for the Broadway Repowering Project.

Because the need for these services will evolve over the life of the Broadway Repowering Project, PWP will manage the work performed by the owner's engineer and Air Consultant on a task order basis. Each task order will include a list of deliverables as well as related cost and schedule for each deliverable. The owner's engineer will not be authorized to proceed with a task unless it is signed and approved by PWP.

Owner's Engineer:

On June 22, 2009, a Request for Proposal (RFP) was issued seeking the services for an owner's engineer. The RFP was distributed to fourteen prospective bidders and eight responded. The proposals were evaluated using the criteria set forth in the RFP by a review panel that consisted of five PWP staff. The top three firms were invited for an interview and were ranked accordingly. Based on the proposal evaluation and interview process, Power Engineers, Inc. was ranked the highest and is therefore recommended for the award of contract. A summary of owner's engineer selection results is attached as Exhibit 1.

The term of the contract is up to the completion of the repowering project, but not to exceed seven years, or after \$3,000,000 has been expended, whichever occurs first. The proposed contract includes the hourly rates submitted by the consultant for each classification in their bid and the PWP staff estimate of working hours for each classification for the duration of the Broadway Repowering Project.

Air Quality Analysis and Permitting Consultant.

On June 22, 2009, a Request for Proposal (RFP) was issued seeking the services of an air quality analysis and permitting consultant. The RFP was distributed to fifteen prospective bidders and nine responded. The proposals were evaluated using the criteria set forth in the RFP by a review panel that consisted of five PWP staff. The top two firms were invited for an interview and were ranked accordingly. Based on the proposal evaluation and interview process, WorleyParsons Group Inc. was ranked the highest and is therefore recommended for the award of contract. A summary of the air quality and permitting consultant selection results is attached as Exhibit 1.

The proposed contract amount of not-to-exceed \$255,000 includes the consultant's bid price of \$235,000 for the work and a contingency amount of \$20,000. The approximately 9% contingency amount is to accommodate any extra work, if needed.

The proposed contracts for the owner's engineer and Air Quality and Permitting Services comply with the Competitive Bidding and Purchasing Ordinance, Pasadena Municipal Code, Chapter 4.08 and the Living Wage Ordinance, Pasadena Municipal Code 4.11.

Environmental Analysis.

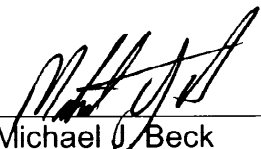
The purpose of entering into these contracts is to prepare the information that will be required to conduct the environmental analysis of the proposed Broadway Repowering Project. These contracts do not commit the City to a definitive course of action regarding the proposed Broadway Repowering Project, and no construction activities will be undertaken pursuant to these contracts. Accordingly, these contracts are exempt from the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15061 (general rule). Once the environmental analysis is done, the

public process required by CEQA will be undertaken and a further discretionary action by the City will be required that will commit the City to the proposed Broadway Repowering Project.

FISCAL IMPACT:


Funds are appropriated in Capital Improvement Programs, Budget No. 3194, Local Generation Repowering Project for the estimated expense of \$530,000 for both projects in FY 2010. Future appropriations will be requested for each fiscal year as necessary.

Respectfully Submitted,



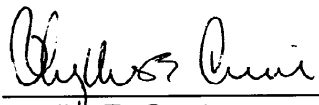
Michael J. Beck
City Manager

Prepared by:

for 

Alvin S. Boyd
Project Manager, Broadway Repowering
Power Supply Business Unit

Approved by:



Phyllis E. Currie
General Manager
Pasadena Water and Power

OWNER'S ENGINEER SELECTION SUMMARY

BIDDERS	LOCATIONS	PROPOSAL SCORES	RANKS	
			PROPOSAL	INTERVIEW
Marmac Field Services	Costa Mesa, CA	55.25	8	
WorleyParsons Group, Inc.	Monrovia, CA	74	4	
Power Engineers*	Meridian, Idaho	78	1	1
Black & Veatch*	Overland Park, Kansas	74.75	3	3
Harris Group, Inc	Denver, CO	71.5	6	
Process Unlimited Inc.	Pasadena, CA	70.25	7	
CH2MHill*	Englewood, CO	75	2	2
IEC	Sacramento, CA	73	5	

* - Shortlisted bidders invited for interview.

AIR QUALITY ANALYSIS AND PERMITTING CONSULTANT SELECTION SUMMARY

BIDDERS	LOCATIONS	PROPOSAL SCORES	RANKS	
			PROPOSAL	INTERVIEW
Michael Brandman Associates	San Bernardino, CA	51.2	8	
WorleyParsons Group, Inc.*	Monrovia, CA	71.2	1	1
Yorke Engineering, LLC	San Juan Capistrano, CA	63	4	
Black & Veatch	Overland Park, Kansas	59.8	6	
AECOM	Orange, CA	63.4	3	
Sierra Research*	Sacramento, CA	71.2	1	2
SCEC	Orange, CA	67.4	2	
Environmental Resource Management	Bakersfield, CA	54	7	
URS	Santa Ana, CA	62.2	5	

* - Shortlisted bidders invited for interview.

**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:
POWER Engineers, 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:

Jack Hand, President, Director	Chris Kensel, Director
John Cavanaugh, Executive Vice President, Director	
William Eisinger, Vice President	
Frank Halverson, Vice President, Director	
Randy Pollock, Vice President, Director	
Janis James, Treasurer, Director	
Barry Neiwert, Secretary	
Randy Grass, Director	
Bruce Truxal, Director	
Bill Hansen, Director	

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

Currently, there are no directors, officers, partners or trustees of POWER Engineers, Inc. with stock ownership of 5 percent or greater.

Prepared by: Harry Hall
Title: Senior Project Manager
Phone: 208-288-6238
Date: July 9, 2009

**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:

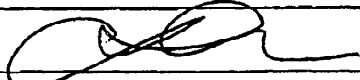
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1. Contractor/Organization Name:	WorleyParsons Group, Inc.
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2. Type of Entity:	<input checked="" type="checkbox"/> non-government <input type="checkbox"/> nonprofit 501(c)(3), (4), or (6)
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3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:	
	See Attached

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:	
	None

Prepared by:  CHRIS ASHTON
Title: Senior Vice President
Phone: 626-803-9000
Date: 7/22/09

As of July 6, 2009

WORLEYPARSONS GROUP INC.

Directors

John M. Grill
William E. Hall
David Housego
W. Jeffrey Osborne

<u>Officer</u>	<u>Title</u>
Robert J. Edwardes	President
W. Jeffrey Osborne	Executive Vice President
Christopher R. Ashton	Senior Vice President
Ray J. Bettiss	Senior Vice President
John Clairmont	Senior Vice President
Russell A. Conda	Senior Vice President
Jack DeVine	Senior Vice President
Robert C. Fintland	Senior Vice President
Lynn Fister	Senior Vice President
Dimitrious Focas	Senior Vice President
Karl Graham	Senior Vice President
Lawrence S. Kalban	Senior Vice President, Secretary and General Counsel
Daniel Martin	Senior Vice President
Christopher L. Parker	Senior Vice President
Craig Reeves	Senior Vice President
Harry W. Sauer	Senior Vice President
Ronald Schneider	Senior Vice President
John Small	Senior Vice President
Djurica Tankosic	Senior Vice President
Lyle White	Senior Vice President
Peter Wilkes	Senior Vice President
Helmy Andrawis	Vice President
Brian W. Barker	Vice President
John Barnhart	Vice President
Jan Bass	Vice President
William C. Beck	Vice President
Teejay Bindra	Vice President
John Bolto	Vice President
Fayez Boutros	Vice President
Thomas E. Brock	Vice President

As of July 6, 2009

<u>Officer</u>	<u>Title</u>
Stan Brown	Vice President
Karl Burchett	Vice President
Stephen Clapham	Vice President
James Coyle	Vice President
Steven B. Davis	Vice President
John Deakin	Vice President
Michael DeLallo	Vice President
Chris E. Dotey	Vice President
David Eberhart	Vice President
Brian Evans	Vice President
George Friddle	Vice President
Doris Galvan	Vice President
Louis Garcia	Assistant Secretary
Ed Goforth	Vice President
Gerald (Jerry) Goldsmith	Vice President
Marie B. Gonzales	Vice President
Robert H. Gould	Vice President
Arif Habibullah	Vice President
David Hamilton	Vice President
Eric Hansen	Vice President
Gerald J. Hart	Vice President
John Hayfield	Vice President
Ian Hedges	Vice President
Richard M. Henderson	Vice President
Joseph T. Hickson	Vice President
Gordon Johnson	Vice President
Scott Johnson	Vice President
Ronald R. Jones	Vice President
Ronald Jordan	Vice President
Raymond C. (Chuck) Kemper III, Vice President	Vice President
Garry King	Vice President
Russell W. Knight	Assistant Secretary
James J. Knowlton	Vice President
David Leaver	Vice President
Robert S. Lipscomb	Vice President
Juan E. Llovet	
Sean Kelleher	Vice President, Treasurer, Controller US Operations
William "Bill" Olson	Vice President
Dennis Pisula	Vice President

As of July 6, 2009

<u>Officer</u>	<u>Title</u>
James J. Powers III	Vice President
Timothy P. Rennie	Vice President
Kevin S. Rickert	Vice President
Robert S. Ritter	Vice President
John Roselauf	Vice President
William Sepples	Vice President
Ernest F. Slocum	Vice President
Alan P. Smith	Vice President
John Swafford	Assistant Secretary and Assistant
James A. Van Laar	Vice President Treasurer
James Vicknair	Vice President
James C. Welch	Vice President
Randy Williams	Vice President