

Agenda Report

July 14, 2014

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH DELTA AIR QUALITY SERVICES, INC. FOR PROVIDING AIR EMISSIONS TESTING SERVICES AT THE BROADWAY AND GLENARM POWER PLANTS.

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the authorization to enter into a contract with Delta Air Quality Services, Inc. is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301, Existing Facilities; and
2. Authorize the City Manager to enter into a contract with Delta Air Quality Services, Inc. for providing air emission testing at the Broadway and Glenarm Power Plants for an amount not to exceed \$175,000 for a period of three years with two optional one-year extensions not to exceed \$73,000 and \$67,000 respectively, subject to the approval of the City Manager. The proposed contract is exempt from competitive bidding pursuant to City Charter Article X Section 1002 (f), contracts for professional or unique services.

BACKGROUND:

Pasadena Water and Power Department ("PWP") operates natural gas-fired electrical generating units consisting of one boiler and four combustion turbines. These units operate under South Coast Air Quality Management District ("SCAQMD") RECLAIM and United States Environmental Protection Agency ("USEPA") Title IV and V permits and applicable Federal, State and local regulations. The units are equipped with certified continuous emissions monitoring systems ("CEMS"). In order to comply with the operating permits for the units, the CEMS must be tested periodically by an independent qualified air quality emissions testing company for required quality assurance and control. Stack gas must also be periodically tested for air pollutants to ensure compliance with emission limits.

The testing company must be certified by USEPA to conform to their testing standards. The laboratory must also be certified by the SCAQMD and the California Air Resources Board to perform the required laboratory analysis. Finally, all tests must be conducted in accordance with an SCAQMD approved test protocol and both SCAQMD and USEPA specified test methods and requirements.

A Request for Proposal (“RFP”) was issued on April 8, 2014, seeking a qualified firm to provide air emissions testing on an as needed basis. The RFP was posted on Planet Bids and was also distributed to five firms. A mandatory pre-bid conference was held on April 16, 2014 and was attended by representatives from four firms. On May 1, 2014, staff received four proposals. The proposals were independently evaluated by three City staff members based on the criteria stated in the RFP. The evaluation yielded the following scores:

<u>Bidder</u>	<u>Evaluated Score</u>
Delta Air Quality Services, Inc. Orange, CA	81
Horizon Air Measurement Services, Inc. Camarillo, CA	80
SCEC Air Quality Specialists, Orange, CA	78
AirKinetics, Inc. Anaheim, CA	74

Delta Air Quality Services, Inc. met the requirements of the RFP, received the highest evaluated score, and is recommended for award of the proposed contract. They have also provided this service for the past six years under a prior contract.

The duration of the initial term of the proposed contract shall be three years, or until \$175,000 has been expended, whichever occurs first. The proposed contract has two optional one-year extensions for amounts not to exceed \$73,000 and \$67,000 respectively, subject to the approval of the City Manager. The amount of the first extension is greater because it includes source tests due once every three years.

COUNCIL POLICY CONSIDERATION:

The proposed contract supports the City Council’s Strategic Goal to effectively manage and improve infrastructure to deliver reliable water and power services.

ENVIRONMENTAL ANALYSIS:

The proposed contract has been determined to be exempt from CEQA per Section 15301, Existing Facilities, which allows for the operation, repair and maintenance etc. of existing private and public facilities that involve negligible or no expansion of the use. The continued air emissions testing services are needed for uninterrupted operation and maintenance of the power plants and would not require any expansion of the facility.

FISCAL IMPACT:

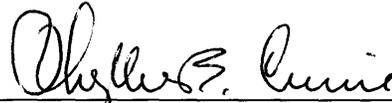
The total cost of this action, including the two optional extensions, is \$315,000. Funding will be addressed by the utilization of existing budgeted appropriations in the Power Operating Fund 401, accounts 8114-401-841200-0549 (Combustion Turbines) and 8114-401-841200-0502 (Steam Boiler). It is anticipated that \$51,390 will be spent during the 2015 fiscal year.

The following table presents a contract summary.

Contract Amount – Initial term	\$175,000
2 optional one-year extensions	\$140,000
Total Fiscal Impact	\$315,000

There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,

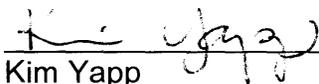


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for MICHAEL J. BECK
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