

Agenda Report

July 22, 2019

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: AUTHORIZATION TO ENTER INTO CONTRACT WITH MONTROSE AIR QUALITY SERVICES, LLC. FOR PROVIDING AIR EMISSIONS TESTING SERVICES AT THE GLENARM POWER PLANT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the authorization to enter into contract with Montrose Air Quality Services, LLC is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project; and
2. Authorize the City Manager to enter into a contract, as the result of a competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with Montrose Air Quality Services, LLC. to provide Air Emissions Testing Services at the Glenarm Power Plant for an amount not to exceed \$360,000 for a period of five years, with one optional two year extension not to exceed \$144,000 subject to the approval of the City Manager. If this option is exercised, the total contract amount would be \$504,000.

BACKGROUND:

Pasadena's Glenarm Power Plant consists of five natural gas-fired combustion turbine units that are essential to maintain local electric grid reliability. These generating units operate under the jurisdiction of the South Coast Air Quality Management District ("SCAQMD") and the United States Environmental Protection Agency ("EPA"), as well as the applicable federal, state and local regulations. Each unit is equipped with a certified Continuous Emission Monitoring System ("CEMS") to measure and record stack emissions. In order to comply with the facility operating permit issued by the SCAQMD, the CEMS must be tested periodically by an independent qualified air 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 the SCAQMD and the California Air Resources Board ("CARB") to perform the required laboratory analysis. In addition to meeting the SCAQMD and CARB requirements, the testing company must also meet

the requirements for the EPA and throughout the duration of the contract must maintain its approval in the Laboratory Approval Program by the SCAQMD.

On April 1, 2019 a Request for Proposals was posted on Planet Bids for a qualified firm to provide air emissions testing for the Glenarm Power Plant. A mandatory pre-bid meeting was held on April 18, 2019, with proposals due on May 8, 2019. Staff is not aware of any local firms certified by the SCAQMD to perform these services. Three proposals were received.

The proposals were evaluated in accordance with the stated criteria outlined in the RFP. Table I summarizes the evaluated total scores for each of the respondents based on the average score of 3 evaluators comprised of power plant staff.

Table I: Summary of Evaluated Scores

| Proposer | Office Location | Total Score |
|-------------------------------|-----------------|-------------|
| Montrose Air Quality Services | Irvine, CA | 87 |
| Horizon INC | Camarillo, CA | 80 |
| AirKinetics INC | Anaheim, CA | 75 |

A complete summary of the ranked proposals is included in Attachment A.

Based on the results of the evaluation, Montrose Air Quality Services met the requirements of the RFP, received the highest evaluated score, and is recommended for award of the proposed contract. Montrose Air Quality Services has provided this service for the past two years under a prior contract valued at \$140,000. From 2014 through 2017 the City contracted these services to Delta Air Quality for a total contract value of \$175,000. Delta Air Quality Services was purchased by Montrose Air Quality Services in 2017.

The proposed contract will have an initial term and value of five years or \$360,000, whichever occurs first, with one additional two-year extension not to exceed \$144,000, subject to approval of City Manager.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the Public Facilities Element of the General Plan and supports the Council's goal to improve, maintain and enhance public facilities infrastructure.

ENVIRONMENTAL ANALYSIS:

The action proposed herein is not a project subject to the CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The awarding of contract for air emissions testing services is an organizational and administrative action that would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

Authorize Contract With Montrose Air Quality Services

July 22, 2019

Page 3 of 3

FISCAL IMPACT:

The cost of this action will be \$504,000, which includes one optional two-year extension if exercised. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the Power Operating Fund 401, account 442054990-811400 (Combustion Turbines). It is anticipated that \$63,000 of the costs will be spent during the current fiscal year. The remainder of the costs will be spent over the next six fiscal years if the extension option is exercised.

The following table presents expenditure projections.

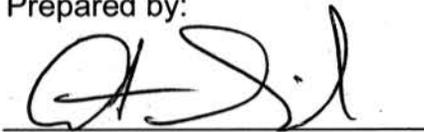
| Firm | Contract Term (Year 1-5) | Optional Two-year Extension (Year 6-7) | Total |
|----------------------------|-----------------------------|--|------------------|
| Montrose LLC | \$360,000 | \$144,000 | \$504,000 |
| Total Fiscal Impact | | | \$504,000 |

Respectfully submitted,



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Water and Power Department

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Approved by:



STEVE MERMELL
City Manager