

Agenda Report

August 6, 2012

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH ACCO ENGINEERED SYSTEMS INC. TO PROVIDE MAINTENANCE, INSPECTION AND REPAIR SERVICES FOR THE GLENARM POWER PLANT GAS TURBINE INLET AIR CHILLERS

RECOMMENDATION:

It is recommended that the City Council:

1. Find that contracting with ACCO Engineered Systems for chiller maintenance and inspection services is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Existing Facilities);
2. Authorize the City Manager to enter into a contract with ACCO Engineered Systems for maintenance, inspection and repair services for the Glenarm Power Plant gas turbine inlet air chillers in an amount not-to-exceed \$108,000, with an option of three one-year extensions at \$57,300, for a total cost of \$279,900. The initial term of the contract is for two years or when the Council-authorized amount is expended, whichever occurs first, with an option of three (3) one-year extension periods, subject to approval of the City Manager; and
3. Find that the proposed contract is exempt from competitive bidding pursuant to City Charter Article X Section 1002(F), Contracts for professional or unique services.

BACKGROUND:

The Glenarm Power Plant comprises four combustion turbines (GT-1 through GT-4) and represents a significant portion of City-owned generation. Units GT-3 and GT-4 each utilize an inlet air chiller system to maximize combustion turbine effectiveness and power output at certain ambient conditions. The chillers are used more frequently in warmer weather, coincidentally when energy demand is higher, and as such are integral to the operation and reliability of the Glenarm Power Plant.

These chillers are the largest of any City facility at 2,200 tons of chilling capacity each and utilize a refrigerant system to maintain a constant supply of chilled water to the combustion turbines. Chillers of this size and in this application require frequent periodic maintenance and inspection, using specialized diagnostic and repair equipment, in order to ensure their continued operation.

In addition to unique maintenance requirements, these chillers are now subject to new regulations. Effective January 1, 2011, the California Air Resources Board ("CARB") enacted regulations known as the Refrigerant Management Program ("RMP") which govern the maintenance, inspection and repair of industrial and commercial refrigeration systems such as the inlet air chillers. The regulations introduce, among other items periodic leak detection requirements; leak repair and reporting deadlines; and more stringent recordkeeping requirements related to refrigerant handling and processing.

The proposed contract is to engage the services of a firm capable of designing and implementing a chiller maintenance program specific to the unique needs of the Glenarm Power Plant; and to furnish skilled and experienced personnel in the performance and documentation of CARB-required inspections, emergency repair work and any incidental handling of refrigerant in the performance of said work. This contract will ensure proper maintenance of the chillers and enable the Water and Power Department to operate GT-3 and GT-4 at optimum performance during the high temperature days of the summer months.

On May 31, 2012, a Request for Proposals ("RFP") for these services was advertised. A pre-proposal job walk was held on June 12, 2012, and proposals were received from two firms listed below. Staff independently evaluated the two proposals based on the criteria stated in the RFP and the evaluation results are as follows:

<u>Bidders</u>	<u>Evaluated Score</u>
ACCO Engineered Systems, Commerce, CA	77
Advanced Centrifugal Systems, Santa Clarita, CA	74

ACCO Engineered Systems satisfied all of the requirements of the RFP, received the higher evaluated score and is therefore recommended for award of the proposed contract.

The proposed contract with a not-to-exceed amount of \$108,000 includes the firm's bid price of \$98,556 for two years of services and a contingency amount of \$9,444 (approximately 10%) for any unforeseen and necessary work. The initial term of the contract is for two years or when the Council-authorized amount is expended, whichever occurs first, with an option of three (3) one-year extension periods, subject to approval of the City Manager.

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

COUNCIL POLICY CONSIDERATION:

The proposed contract supports the City Council Strategic Planning Goal to improve, maintain, and enhance public facilities and infrastructure. It also supports the Public Facilities Element of the General Plan by maintaining public facilities to enhance the quality of life of the community.

ENVIRONMENTAL ANALYSIS:

The nature of the work performed by ACCO Engineered Systems has been determined to be exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act ("CEQA") Section 15301 (Existing Facilities). This exemption includes the Section 15301 includes maintenance, repair and operation relating to existing facilities, mechanical equipment, or structures where there is negligible or no expansion of the use. Section 15301(b) specifically identifies maintenance work on existing publicly-owned utilities used to provide electric power that will not result in an increase in capacity or an expansion of the use.

FISCAL IMPACT:

The cost of this action will be \$108,000. Funding for this action will be addressed by the utilization of existing budgeted appropriations in Power Operating Budget Account No. 8116-401-841200-0548. It is anticipated that \$54,000 of this amount will be spent during the FY13. The remainder of the cost will be spent in FY14. In the event that the three, one-year contract extension options are exercised following the expiration of the initial term, the total contract payments will be \$279,900.

The following table presents a contract summary.

Contract Amount	\$98,556
Contingency (10%)	\$9,444
Total Fiscal Impact	\$108,000

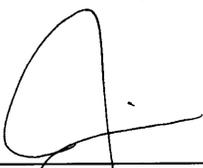
There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



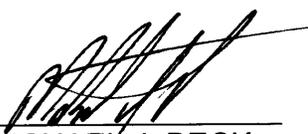
PHYLLIS E. CURRIE
General Manager
Pasadena Water and Power

Prepared by:



Jason Miller
Engineer

Approved by:



MICHAEL J. BECK
City Manager

EXHIBIT " _ "

Disclosure pursuant to the
City of Pasadena Taxpayer Protection Amendment of 2000
Pasadena City Charter, Article XVII

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than a 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:
ACCO Engineered Systems

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

John Aversano - President, CEO
Ron Krassensky - President, COO
Charles Richter - Executive Vice President, Corporate Development
John Peterson - CFO
Roberta Kessler - Vice President, Corporate Secretary
Ken Westphal - Executive Vice President Building Services Division
Steve Smith - Senior Vice President Building Services Division, Core Services
Steve Tuttle - Senior Vice President Building Services Division

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

Prepared by: James Sylvester
Title: Project Engineer
Date: June 21, 2012

For office use only:
Contract/Transaction No. _____