

Agenda Report

July 24, 2017

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 TURBINES INLET AIR CHILLERS.

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the authorization to enter into a contract with ACCO Engineered Systems, 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 ACCO Engineered Systems, Inc., without competitive bidding pursuant to City Charter Section 1002(F), contracts for professional or unique services, for maintenance, inspection, and repair services for the Glenarm Power Plant gas turbines inlet air chillers in an amount not to exceed \$310,000 over a period of five years. The contract would include an optional two-year extension not to exceed \$124,000, subject to the approval of the City Manager. If this option is exercised the total contract amount would be \$434,000.

BACKGROUND:

The Glenarm local plant is comprised of five combustion turbines (GT-1 through GT-5) and represents all local City-owned generation. Units GT-3, GT-4 and GT-5 each utilize an inlet air chiller system to maximize combustion turbine effectiveness and power output in certain ambient conditions. Coincidentally, the chillers are used more frequently in warmer weather 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 and utilize a refrigerant system to maintain a constant supply of chilled water to the combustion turbines. In order to ensure continued operation, chillers of this size and in this application require frequent periodic maintenance and inspection, using specialized diagnostic and repair equipment.

In addition to unique maintenance requirements, these chillers are now subject to California Air Resources Board (“CARB”) regulations that govern the maintenance, inspection, and repair of industrial and commercial refrigeration systems. 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 can also 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 PWP to operate GT-3, GT-4 and GT-5 at optimum performance during the high temperature days of the summer months.

A Request for Proposals (“RFP”) was posted via Planet Bids on April 13, 2017 seeking qualified firms to provide the above services. Twenty-one vendors downloaded the bid documents from PlanetBids. In addition, two vendors were notified via email that the RFP was posted on PlanetBids with a link to the website. Two prospective respondents attended the mandatory May 4, 2017 pre-proposal meeting and job walk. Two proposals were submitted and were independently evaluated by four PWP staff, from the Power Supply Section, based on the criteria stated in the RFP. One of these proposals was submitted by a Pasadena vendor. Proposal results are as follows:

Proposers/Locations	Evaluated Scores
ACCO Engineered Systems, Inc., Glendale, CA	88
Advance Centrifugal Systems Inc., Pasadena, CA	73

See Attachment A for a summary table of the evaluation scores.

ACCO Engineered Services, Inc. met the requirements of the RFP, took no exceptions to the City’s Standard Contract and received the highest evaluated scores. Therefore, they are recommended for award of the proposed contracts.

The requested not to exceed amount of \$310,000 for the initial five-year term is based on the annual cost of maintenance, inspection, and repair services for the Glenarm Power Plant gas turbines inlet air chillers. This amount of \$310,000 includes the firm’s proposal price of \$56,555 for one year of services and a contingency amount of \$5,445 (approximately 10%). PWP is also requesting an option to extend a contract for two

years in an amount not to exceed \$124,000. This optional contract extension will require the approval of the City Manager and must be exercised within one year of the initial contract expiration and will start on the date of attestation by the City Clerk.

ACCO Engineered Services, Inc. has previously been under contract with the City to provide maintenance, inspection and repair services for the Glenarm Power Plant gas turbines inlet air chillers as follows:

- 1) 2-year contract not to exceed \$108,000 executed September 26, 2012
- 2) 1-year contract amendment not to exceed \$57,300 executed February 24, 2014
- 3) 1-year contract amendment not to exceed \$57,300 executed February 26, 2015
- 4) 1-year contract amendment not to exceed \$57,300 executed February 23, 2016

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. The Prevailing Wage Law (Senate Bill 7) does not apply to the proposed contract.

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 qualifies for a categorical exemption in accordance with Title 14, Div. 6, Chapter 3, Article 19, Section 15301 (Existing Facilities). Section 15301 allows for the categorical exemption from CEQA for maintenance work on existing publically owned facilities used to provide electric power that will not result in an increase in capacity or an expansion of existing use.

FISCAL IMPACT:

The total cost of this action, including the two-year optional extension, is \$434,000. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the Power Operating Budget Fund 401, Account No.4420548-811600.

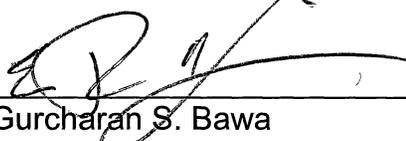
It is anticipated that \$46,500 of the cost will be spent during the fiscal year 2018. The remainder of the costs will be spent over the next six fiscal years.

The following table presents a contract summary.

Contract Amount – Initial 5 year term	\$310,000
Optional two-year extension	\$124,000
Total Fiscal Impact	\$434,000

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

Respectfully submitted,



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