



# Agenda Report

February 22, 2021

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: AUTHORIZE A SERVICE CONTRACT WITH MATHESON TRI-GAS INC TO FURNISH AND DELIVER CALIBRATION AND INDUSTRIAL GASES FOR THE WATER AND POWER DEPARTMENT**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code §21080(b)(9); and California Code of Regulations, Title 14, Chapter 3, Class 1 §15301 (Existing Facilities) and that there are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances; and
2. Accept the bid dated January 12, 2021, submitted by Matheson Tri-Gas Inc ("Matheson") in response to specifications for Calibration and Industrial Gases for Broadway and Glenarm Power Plants; reject all other bids received; and authorize the City Manager to enter into a contract not to exceed \$195,000 over a period of three years. The contract would include the option of two additional one-year extension periods not to exceed \$65,000 each, subject to the approval of the City Manager. If both options are exercised, the total contract amount would be a maximum of \$325,000 with a maximum term of five years.

## **BACKGROUND:**

The City of Pasadena owns and operates the Glenarm and Broadway Power Plants whose generation units operate under local and federal air quality permits. In accordance with the applicable rules and regulations, the generation units are equipped with Continuous Emissions Monitoring Systems ("CEMS") which require calibration to ensure the quality and accuracy of the collected data. In addition, industrial gases are also used in the course of the normal operation of the facilities as blanket gases, purge gases or for welding activities. To fully comply with regulations and provide necessary

facility maintenance, Pasadena Water and Power ("PWP") requires a ready supply and regular deliveries of calibration gases and industrial gases.

On December 8, 2020, a Notice Inviting Bids for Calibration and Industrial Gases for Broadway and Glenarm Power Plants was published in *The Pasadena Independent* and *The Pasadena Journal*, and was also posted on Planet Bids. The posting generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of ten vendors downloaded the specifications, of which none were local. Two responsive bids were received by the bid opening date of January 12, 2021, none from local firms. Calibration gas supply services are highly specialized, and staff is not aware of any local vendors capable of providing these services. The bid results are shown below.

**Table I**

| <b>Bidder</b>             | <b>Location</b>      | <b>Bid</b>  |
|---------------------------|----------------------|-------------|
| Matheson Tri-Gas Inc      | Rancho Cucamonga, CA | \$64,335.36 |
| WestAir Gases & Equipment | San Diego, CA        | \$71,557.00 |

It is staff's recommendation to award a three-year contract to Matheson for an amount not to exceed \$195,000 with two additional one-year options, each not to exceed \$65,000, subject to the approval of the City Manager. If both options are exercised, the maximum value of the contract would be \$325,000.

Matheson was PWP's previous supplier for calibration and industrial gases. Since 2014, Matheson has been awarded four contracts and purchase orders with the City, collectively valued at \$422,949. Two purchase orders are currently active.

**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; to provide a high level of public service which adds to the quality of life in the City and increase its attractiveness through more efficient management of resources.

**ENVIRONMENTAL ANALYSIS:**

The proposed contract is exempt from CEQA pursuant to the State CEQA Guidelines Section 15301. Section 15301 (Existing Facilities) exempts actions (such as maintenance, repair, operation, etc.) relating to existing facilities where there is negligible or no expansion of the use. The proposed contract would allow for the operation and maintenance of existing Water and Power facilities. There would be no expansion of use. There are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances.

**FISCAL IMPACT:**

The maximum cost of this action will be \$325,000 including two additional one-year extensions. Funding for this action will be addressed by the utilization of existing budgeted appropriations and future appropriations in the Power Operating Fund 401 (44205480-810100). It is anticipated that \$15,000 of the cost will be spent during the current fiscal year. The remainder of the initial contract of \$195,000 will be spent over the next three fiscal years.

| Contract | Term    | Amount    |
|----------|---------|-----------|
| Base     | 3 Years | \$195,000 |
| Option 1 | 1 Year  | \$ 65,000 |
| Option 2 | 1 Year  | \$ 65,000 |
| Total    | 5 Years | \$350,000 |

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

Respectfully submitted,



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Approved by:

  
for STEVE MERMELL  
City Manager