

Agenda Report

July 18, 2022

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: AUTHORIZATION TO ENTER INTO A SERVICE CONTRACT WITH J. HARRIS INDUSTRIAL WATER TREATMENT, INC. TO FURNISH LABOR AND MATERIALS FOR REVERSE OSMOSIS, DEGASIFICATION AND ION EXCHANGE SYSTEM SUPPORT SERVICES FOR THE GLENARM POWER PLANT IN AN AMOUNT NOT TO EXCEED \$200,114

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Class 1 – Existing Facilities), that there are no features that distinguish this project from others in the exempt class and as such, no environmental document pursuant to CEQA is required for the project; and
2. Accept the bid dated June 15, 2022, submitted by J. Harris Industrial Water Treatment, Inc. ("J. Harris") in response to Specification to Furnish Labor and Materials for Reverse Osmosis, Degasification and Ion Exchange System Support Services; reject all other bids received; and authorize the City Manager to enter into a contract with J. Harris for a period of three years or an amount not to exceed \$120,068, whichever comes first, with two optional one-year extensions of \$40,023 for each year, subject to approval by the City Manager for a total value of \$200,114.

BACKGROUND:

The City of Pasadena Glenarm Power Plant ("Plant") includes five natural-gas fueled combustion turbines (GT1, GT2, GT3, GT4 and GT5) equipped with generators that produce electrical power. GT-5 is also equipped with a Once-Through Steam Generator (OTSG) and steam turbine. The Plant utilizes demineralized water for various processes essential to the production of electricity at the facility. To maintain a ready supply of the critical resources a water treatment system is in place at the facility. Water provided by the City is treated and made suitable for use in a power production application with a system that utilizes reverse osmosis, degasification and deionization technologies.

On May 25, 2022, a Notice Inviting Bids for Specifications to Furnish and Deliver Reverse Osmosis, Degasification and Ion Exchange System Support Services for the Glenarm Power Plant was published in *The Pasadena Journal* and *Pasadena Press* and was also posted on PlanetBids. The posting generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of 22 vendors downloaded the Specifications, of which one was local. Staff conducted research and did not find any other local vendors that provide these services. A total of one bid was received by the bid opening date of May 25, 2022, none from local firms. J. Harris was determined the lowest responsive and responsible bidder. See Table 1.

Table 1

Vendor	Location	Bid Amount
J. Harris Industrial Water Treatment, Inc.	Oxnard, CA	\$120,068

J. Harris submitted the lowest responsive and responsible bid, which complies with all requirements of the Specifications. It is recommended that the City Council authorize the City Manager to award a contract to J. Harris for a period of three years or an amount not to exceed \$120,068, whichever comes first, with two additional one-year options, each not to exceed \$40,023, subject to the approval of the City Manager. If both options are exercised, the maximum value of the contract would be \$200,114.

J. Harris has previously been under contract with the City of Pasadena to provide water conditioning system inspection, monitoring, and maintenance services for the Plant. Since 2010, J. Harris has been awarded two contracts and four purchase orders with the City, collectively valued at \$589,956.

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

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 infrastructures; to provide 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 State CEQA Guidelines Section 15301 (Class 1 – Existing Facilities). Class 1 exempts actions (such as maintenance, repair, operation, etc.) relating to existing facilities where there is negligible or no expansion of an existing or former use. The proposed contract would allow for the operation, repair and maintenance of an existing Water and Power facility. 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 \$200,114 including two optional one-year contract extensions. Funding for this action will be addressed by the utilization of existing and future budgeted appropriations in the Power Capital and Operating Funds as follows:

- 1) \$15,023 Power Capital Fund CIP 3236 – Power Production Facility Improvements
- 2) \$25,000 Long term Reverse Osmosis, Degasification and Ion Exchange System Support Contract – Power Operating Fund 44205480-811600

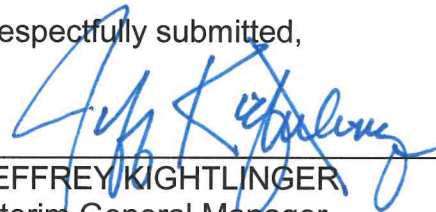
It is anticipated that \$40,023 will be spent in fiscal year 2023. The remainder of the costs will be spent over the next four fiscal years if the contract extension options are exercised. A contract summary is presented in Table 2:

Table 2

Contract	Term	Total
Base	3 Years	\$120,068
Option 1	1 Year	\$40,023
Option 2	1 Year	\$40,023
Total	5 Years	\$200,114

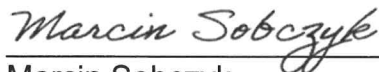
There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



JEFFREY KIGHTLINGER
Interim General Manager
Water and Power Department

Prepared by:



Marcin Sobczyk
Power Plant Supervisor
Water and Power Department

Approved by:



CYNTHIA J. KURTZ
Interim City Manager