

Agenda Report

March 17, 2025

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH MONTROSE AIR QUALITY SERVICES, LLC FOR AIR EMISSIONS TESTING SERVICES AT THE GLENARM POWER PLANT FOR UP TO SEVEN YEARS FOR A TOTAL AGREEMENT NOT-TO-EXCEED \$1,317,700 FOR THE WATER AND POWER DEPARTMENT

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 21065 and within the meaning of Section 15378(b); 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 Environmental Group, Inc (DBA Montrose Air Quality Services, LLC) for air emissions testing services at the Glenarm Power Plant in an amount not to exceed a total of \$1,317,700 for seven years, which includes two optional one-year extensions or an amount not to exceed \$333,000, whichever occurs first, at the discretion of the City Manager. Competitive price bidding is not required pursuant to City Charter Section 1002F contracts for professional or unique services.

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 ("USEPA"), as well as the applicable local, state, and federal 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 USEPA and throughout the duration of the contract must maintain its approval in the Laboratory Approval Program by the SCAQMD. Currently, the testing is being done by Montrose Air Quality Services, LLC.

On December 18, 2024, a Request for Proposals ("RFP") was posted on the OpenGov Procurement website for a qualified firm to provide air emissions testing for the Glenarm Power Plant. The deadline to submit proposals was January 10, 2025. The posting generated 3,605 notices to vendors who have previously registered with the City for this particular commodity class. A total of 17 vendors downloaded the specifications of which none were local. One proposal, submitted by Montrose Air Quality Services, LLC, was received by the bid opening date.

The limited number of proposals was likely attributed to the stringent testing requirements and the limited availability of qualified testing companies within the industry. Over the last several years, other testing companies have been bought out by Montrose Air Quality Services, LLC, leading to a consolidation of services. Staff is not aware of any local vendors that perform these services. The proposal was evaluated in accordance with the stated criteria outlined in the RFP.

Table I below summarizes the evaluated score of the respondent based on the average score of three evaluators comprised of power plant staff. A scoring evaluation summary is provided in Attachment A.

Table I: Scoring Summary

Vendor	Company Location	Evaluated Score (Out of 100)
Montrose Air Quality Services, LLC	Santa Ana, CA	86.67

The proposed contract will have an initial term and value of five years or \$984,700, whichever occurs first, with two additional one-year extension periods not to exceed \$333,000, whichever occurs first at the discretion of the City Manager. The contract duration locks in favorable pricing and the requested amount is based on the expected frequency of the required environmental testing necessary to comply with the facility permit requirements and rules of SCAQMD.

Based on the evaluation results, Montrose Air Quality Services, LLC met the vendor capabilities outlined in the RFP and possesses extensive experience performing environmental testing, including work at Glendale and Burbank power plants, in addition

to the Glenarm Power Plant. The pricing in the proposal is consistent with industry standards.

Since 2019, the City of Pasadena has awarded Montrose Air Quality Services, LLC one contract and one purchase order, collectively valued at \$378,000.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the City Council Strategic Planning goal to improve, maintain and enhance public facilities infrastructure.

ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not “projects” as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of “project” continuing administrative or maintenance activities, such as purchases for supplies and services. The actions proposed herein, authorizing the City Manager to enter into a contract for air emissions testing services, is an administrative activity for the purchasing of services, and therefore is not a “project” as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

The cost of the recommended action is \$1,317,700 over seven years, as broken out in Table II below. Funding for this action will be addressed by the utilization of existing and future budgeted appropriations in the Power Operating Fund (401), to support the first year of contract costs. Future contract costs will be budgeted as part of the department's annual operating budget. There is no impact to the General Fund.

Table II: Fiscal Impact Summary

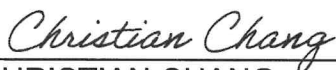
Fiscal Year	Amount
2025-2029	\$984,700
2030-2031	\$333,000

Respectfully submitted,



DAVID REYES
Interim General Manager
Water and Power Department

Prepared by:



CHRISTIAN CHANG
Engineer

Approved by:



MIGUEL MÁRQUEZ
City Manager

Attachment A: Scoring Evaluation Summary for Air Emissions Testing