

# Agenda Report

April 14, 2003

**To:** City Council  
Through Municipal Services Committee

**From:** City Manager

**Subject: AUTHORIZATION TO ENTER INTO A CONTRACT WITH ARB, INC. FOR RETROFITTING THE UNITS GT-1 AND GT-2 WITH SELECTIVE CATALYTIC REDUCTION SYSTEMS**

## **RECOMMENDATION:**

It is recommended that the City Council accept the bid dated March 11, 2003 submitted by ARB, Inc. in response to Specifications LD-03-1 for retrofitting the Units GT-1 and GT-2 with Selective Catalytic Reduction Systems, reject all other bids, and authorize the City Manager to enter into such contract for an amount not-to-exceed \$7,000,000.

## **BACKGROUND:**

As part of the Pasadena Water and Power Strategic Resource Plan adopted by the City Council on November 19, 2001, the existing Units GT-1 and GT-2 gas turbines at the Glenarm Plant will be retrofitted with a selective catalytic reduction (SCR) emission control system. The SCR retrofit project must be completed no later than December 31, 2003 as required by the South Coast Air Quality Management District approved Rule 2009 Compliance Plan.

The proposed project involves engineering design, furnishing of materials and equipment, fabrication, installation and testing required to retrofit the existing Units GT-1 and GT-2 at the Glenarm Plant with an SCR system. The NOx emission of Units GT-1 and GT-2 will be reduced from 108 ppm down to 9 ppm (a 92% reduction) upon completion of the SCR retrofit project.

On February 6, 2003, a Notice Inviting Bids was published in the Pasadena Journal and posted on the City's Purchasing web site. In addition, Specifications LD-03-1 was sent to 16 prospective bidders and potential subcontractors. The following are the bidders who responded and their bid prices:

BIDDERS	BID PRICES
ARB, Inc.	\$ 6,392,184
Sermatech Power Solutions	\$ 6,430,392
The Industrial Company	\$ 7,240,700
Applied Utility Systems, Inc.	\$ 7,615,906

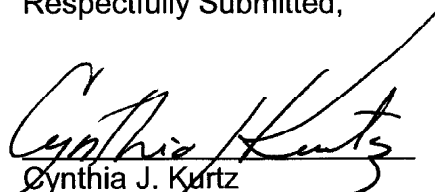
ARB, Inc. is the lowest responsive and responsible bidder. The proposed contract amount of not-to-exceed \$7,000,000 includes the bid price and a contingency amount of \$607,816 (approximately 9.5%) to accommodate any change orders.

A Mitigated Negative Declaration and Initial Study for this project were approved in connection with Conditional Use Permit #4048 and accordingly, the requirements of the California Environmental Quality Act have been satisfied.

**FISCAL IMPACT:**


Funding is available from the Light and Power Fund Capital Improvement Program under Budget #3166 for the "Local Generation Repowering Plan." Funding is from the Light and Power Fund Capital Improvement Program under Budget #3166 for GT-1 and GT-2 Retrofit.

Respectfully Submitted,

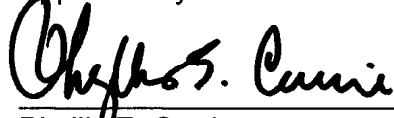
  
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