



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE: JUNE 9, 2025**

**SUBJECT: AWARD BID NO. 8164 TO AIRGAS SPECIALTY PRODUCTS, INC. OF LAWRENCEVILLE, GEORGIA, FOR THE PURCHASE AND DELIVERY OF 19% AQUEOUS AMMONIA FOR THE RIVERSIDE PUBLIC UTILITIES POWER PLANTS, FOR A 3-YEAR TERM ENDING ON JUNE 30, 2028, IN THE AMOUNT OF \$198,000**

**ISSUE:**

Consider awarding Bid No. 8164 to Airgas Specialty Products, Inc. of Lawrenceville, Georgia for the purchase and delivery of 19% aqueous ammonia for the Riverside Public Utilities Power Plants for a three-year term ending on June 30, 2028, in the amount of \$198,000.

**RECOMMENDATION:**

That the Board of Public Utilities Award Bid No. 8164 to Airgas Specialty Products, Inc. of Lawrenceville, Georgia for the purchase and delivery of 19% aqueous ammonia for the Riverside Public Utilities Power Plants for a three-year term ending on June 30, 2028, in the amount of \$198,000.

**BACKGROUND:**

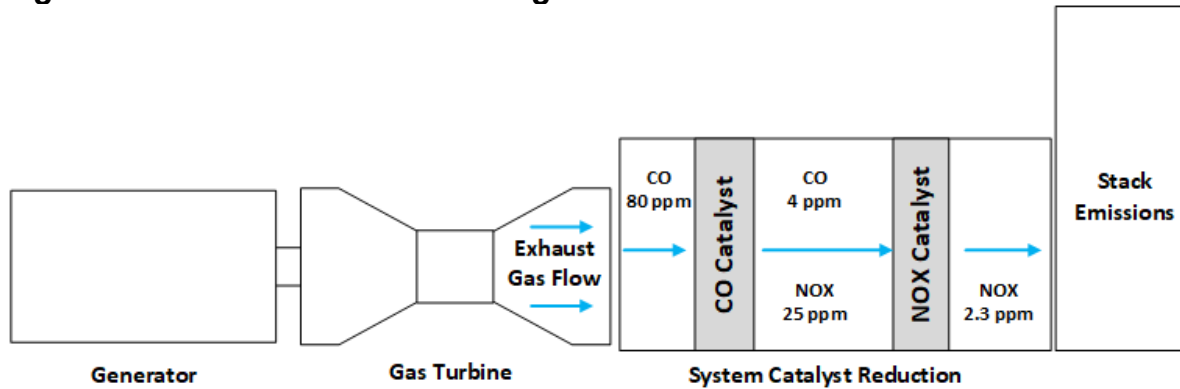
Nineteen percent (19%) aqueous ammonia (ammonia) is utilized at all three of the City of Riverside owned Power Plants, specifically during the operation of the gas turbine engines. It is an essential component of the emissions control systems because of its ability to reduce nitrogen oxide (NOx) to levels below the allowable limits specified in each facility's operating permit from the South Coast Air Quality Management District. The use of ammonia in the emissions control system is considered the best available technology for reducing emissions in the gas turbine industry, making it a necessity for both environmental protection and regulatory compliance.

Each year, all nine gas turbine engines undergo required emissions testing by a certified third-party agency to demonstrate compliance with air quality regulations. Ammonia usage is continuously monitored, recorded, and regulated in accordance with the specific conditions outlined in each of the facility's operating permits.

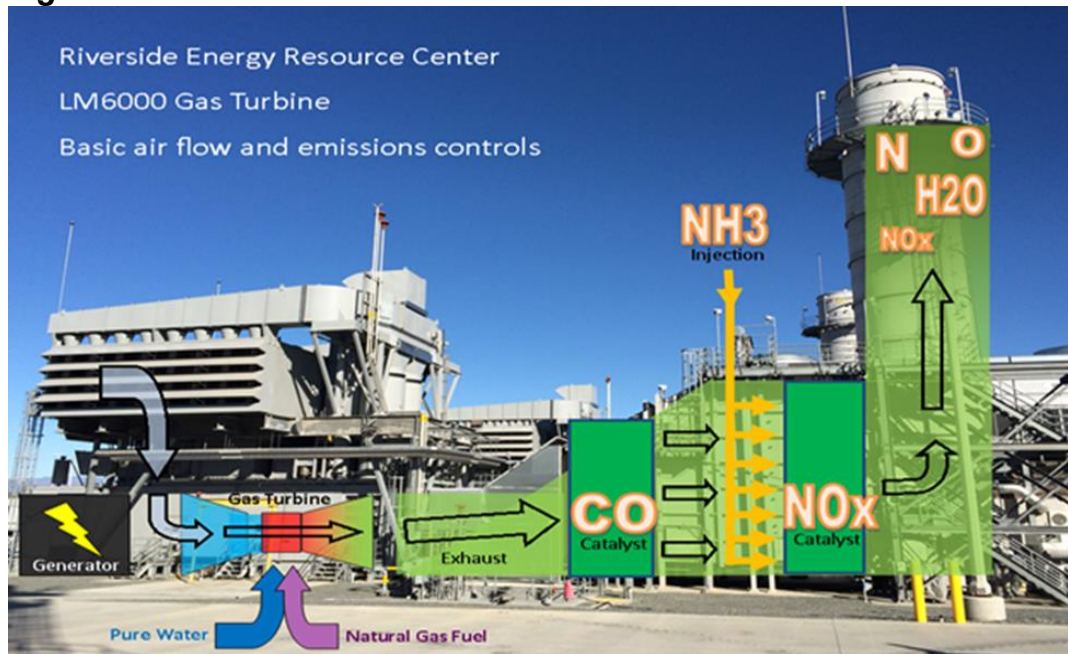
Figures 1 and 2 provide an illustrated overview of the emissions control systems at the Riverside Energy Resource Center (RERC). At RERC, the NOx concentration in the exhaust leaving the gas turbine engine is initially measured at 25 parts per million (ppm). As the exhaust passes through the emissions control system, a fine mist of vaporized ammonia is injected before

reaching the NOx catalytic modules. This process effectively reduces NOx levels to less than 2.5ppm, ensuring that the plant remains in compliance.

**Figure 1. Emissions Reduction Stages**



**Figure 2. Emissions Flow at RERC**



The emissions reduction process at the other two facilities, Springs Generating Facility and Clearwater Power plant, is similar to RERC.

## **DISCUSSION:**

On November 25, 2024, the City's Purchasing Division, on behalf of Riverside Public Utilities (RPU), posted Bid No. 8084 on PlanetBids to solicit proposals from qualified vendors for the delivery of 19% aqueous ammonia to all three power plants. A non-mandatory job walk was held on December 17, 2024, with one bidder in attendance. One question and response was posted, and one addendum was released. On January 14, 2025, Bid No. 8084 closed, with two bids received. After evaluating the bids, staff determined that neither met the specifications and terms outlined in the solicitation. One bidder submitted pricing for a one-year term, whereas the solicitation required pricing for a three-year term minimum. The other bidder did not accept the City's Purchase Order Terms and Conditions and submitted pricing that did not follow the

specified requirements.

On February 13, 2025, the City’s Purchasing Division re-bid the solicitation posting Bid No. 8164 on PlanetBids. No job walk was provided, two (2) questions were answered, and no addenda was released. On March 6, 2025, Bid No. 8164 closed with one responsive bid received.

**Table 1. RFB Notification Summary**

Action	Number of Vendors
External Vendors Notified	500
City of Riverside Vendors Notified	32
Prospective Bidders	15
Bids Received	1

Receiving only one bid is not uncommon, as there are few local chemical suppliers capable of providing this product, particularly in the quantities required by RPU’s power plants. Ammonia is regulated by the Department of Transportation due to its hazardous nature and transportation requirements, and Riverside requires up to 6,000 gallons of per delivery.

Given that ammonia usage fluctuates based on power plant operations, staff estimated total annual ammonia needs for all facilities, approximately 50,000 gallons, in the bid specifications and requested a price per gallon of ammonia for the next three years.

After evaluating the submitted bid, staff deemed Airgas Specialty Products Inc. to be the lowest responsive bidder. They provided a fixed, all-inclusive cost per gallon of \$1.28 for the first two years with the third year having a fixed, all-inclusive cost per gallon of \$1.33 (4% increase).

**Table 2. Bid Summary**

Vendor	Location	Year 1	Year 2	Year 3
Airgas Specialty Products, Inc.	Lawrenceville, GA*	\$1.28/gal	\$1.28/gal	\$1.33/gal

*\*Company has California distribution*

Purchasing Resolution 24101, Section 508 Formal Procurement Awards states, “Contracts procured through Formal Procurement shall be awarded by the Awarding Entity to the Lowest Responsive and Responsible Bidder.”

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 24101.

### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to the following strategic priorities and goals from the Envision Riverside 2025 Strategic Plan:

**Strategic Priority 4 – Environmental Stewardship** and Goal 4.3 – Implement local and support regional proactive policies and inclusive decision-making processes to deliver environmental justice and ensure that all residents breath healthy and clean air with the goal of having zero days of unhealthy air quality per the South Coast Air Quality District’s Air Quality Index (AQI).

**Strategic Priority 5 – High Performing Government** and Goal 5.4 – Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

**Strategic Priority 6 – Infrastructure, Mobility & Connectivity** and Goal 6.2. – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

This item aligns with each of the five Cross-Cutting threads as follows:

1. **Community Trust** – Ensuring that Riverside’s power plants comply with all environmental regulations and provide electricity to the entire City demonstrates a commitment to environmental stewardship and serves the greater public good.
2. **Equity** – This item ensures that RPU’s power plants can safely and effectively operate and provide reliable electricity benefitting the entire City and all customers.
3. **Fiscal Responsibility** – Airgas Specialty Products, Inc. provided the lowest competitive bid, and prices are fixed for three years.
4. **Innovation** – The use of ammonia is the best available method for emissions control in gas turbines. Small amounts of ammonia keep air emissions at lowest possible level.
5. **Sustainability & Resiliency** – Riverside’s three power plants operate during the most critical times when the demand for electricity is high. Maintaining an environmental compliance program, particularly to ensure air quality requirements are met, for the next three years supports the goal of environmental stewardship while sustaining highly reliable power plant operations.

**FISCAL IMPACT:**

The total fiscal impact is \$198,000. Sufficient funds are available in the Springs Maintenance Generating Plants Account No. 6120120-424131, RERC Maintenance Generating Plants Account No. 6120130-424131, and Clearwater Maintenance-Generating Plants Account No. 6120140-424131 for FY 25/26. Future years’ impacts will be included as part of the biennial budget process.

Fiscal Year	Annual Amount
2025/26	\$66,000
2026/27	\$66,000
2027/28	\$66,000
<b>TOTAL</b>	<b>\$198,000</b>

Prepared by: Scott Lesch, Utilities Assistant General Manager/Power Resources  
 Approved by: David A. Garcia, Utilities General Manager  
 Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer  
 Approved by: Rafael Guzman, Assistant City Manager  
 Approved as to form: Rebecca Mckee-Reimbold, Interim City Attorney

Attachments:

1. Bid Award Recommendation
2. Presentation