

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JUNE 06, 2016

ITEM NO: 3

File ID – 16-1721 - Consent

SUBJECT: APPROVE A THREE-YEAR AGREEMENT FROM REQUEST FOR PROPOSAL NO. 1617 TO PROVIDE EMISSIONS TESTING AND EMISSIONS CONSULTING AT THE THREE POWER GENERATION FACILITIES TO MONTROSE ENVIRONMENTAL CORPORATION IN THE AMOUNT OF \$150,000 PER YEAR

ISSUE:

The issue for Board of Public Utilities consideration is approval of a three year agreement, with three one-year extensions, with Montrose Environmental Corporation in the annual amount of \$150,000, for environmental consulting and air emissions testing at the City of Riverside's three power generation facilities, Riverside Energy Resource Center (RERC), Springs and Clearwater.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the Professional Consultant Services Agreement between Montrose Environmental Corporation DBA SCEC, a Delaware corporation, and the City of Riverside for a term of three (3) years with the option to execute three (3) one (1) year extensions, in the amount of \$150,000 per year; and
2. Authorize the City Manager, or his designee, to execute the Agreement including making minor, non-substantive changes for an annual cost not to exceed the amount of \$150,000 per year.

BACKGROUND:

Riverside Public Utilities owns and operates the Riverside Energy Resource Center (RERC), the Springs Generating Station and the Clearwater Power Plant. Each power plant is issued a separate South Coast Air Quality Management District (SCAQMD) air permit and must comply with federal, state and local air emissions regulations. These air permits govern power plant operations and regulate the total amount of air emissions allowed from each gas turbine generator. Demonstrating compliance with the applicable regulations requires continuous monitoring of emissions and periodic onsite air emissions tests conducted by a state certified testing company.

To insure compliance with air permit regulations, additional technical expertise is recommended. Having an industry expert available is critical to navigate the numerous regulatory compliance requirements associated with power plant operations. These requirements include the submission of over 3,300 reports each year.

Utilizing the City's procurement process, Request for Proposal No. 1617 posted on April 5, 2016, and closed April 19, 2016. Staff evaluated the two proposals that were submitted and recommends Montrose Environmental as the best overall for the following reasons:

- Montrose has provided its expertise to the City since construction of the Springs units in 2002;
- Montrose understands the City's air permits and emissions requirements;
- Montrose actively participates in the SCAQMD committees;
- Montrose remains current with regulatory changes; and
- Montrose was the low cost provider.

The current contract between the City and Montrose Environmental expires on June 30, 2016.

The proposed contract will be for a three (3) year term beginning July 1, 2016, with the option to execute three (3) one (1) year extensions.

Proposal Cost Summary (based on minimum regulatory testing/reporting requirements)	
Montrose Environmental	\$126,525
Horizon	\$137,475

The Purchasing Services Manager concurs with the recommendations above.

FISCAL IMPACT:

The estimated annual fiscal impact is not expected to exceed \$150,000. Sufficient funds are included in the Power Resource Power Generation Facilities Professional Services Account Nos. 6120120-421000, 6120130-421000, and 6120140-421000 in fiscal year 2016/17 and 2017/18 budgets, approved by the Board of Public Utilities on March 14, 2016, and pending City Council approval. Subsequent year(s) will be budgeted as part of the budget process.

Prepared by: Reiko A. Kerr, Public Utilities Assistant General Manager/Resources
Approved by: Girish Balachandran, Public Utilities General Manager
Approved by: John A. Russo, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
of funds: Laura Chavez-Nomura, Public Utilities Assistant General Manager/Finance

Attachment: Professional Consultant Services Agreement Montrose Environmental