



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE:** APRIL 10, 2017

**ITEM NO:** 10

**SUBJECT:** THREE-YEAR SOFTWARE SERVICE AGREEMENT WITH BABCOCK & WILCOX POWER GENERATION GROUP, INC. FOR TECHNICAL SOFTWARE SUPPORT SERVICES IN THE AMOUNT OF \$86,790

**ISSUE:**

Approve a three-year software service agreement (S2016\_115r5) with Babcock & Wilcox Power Generation Group, Inc. for technical software support services of the Data Acquisition and Handling System in the amount of \$86,790.

**RECOMMENDATIONS:**

That the Board of Public Utilities:

1. Approve the three-year software service agreement (S2016\_115r5) with Babcock & Wilcox Power Generation Group, Inc. in the amount of \$86,790 for technical software support;
2. Authorize the City Manager, or his designee, to execute the software service agreement S2016\_115r5 with Babcock & Wilcox Power Generation Group, Inc.; and
3. Authorize the City Manager, or his designee, to execute any future amendments or extensions to the Service Agreement under the same price, terms, and conditions.

**BACKGROUND:**

Riverside Public Utilities is required by the Environmental Protection Agency (EPA) and the South Coast Air Quality Management District (SCAQMD) to report gas turbine air emissions for the City of Riverside's Riverside Energy Resource Center, Springs Generating Station and the Clearwater Power Plant.

On June 21, 2013, the Board approved a Professional Services Agreement with Babcock & Wilcox Power Generation Group, Inc. (Babcock & Wilcox) for engineering, configuration and installation of the Data Acquisition and Handling System (DAHS) and a three-year service contract for DAHS software maintenance and support, which expires on June 30, 2017.

The DAHS is an integral component of the power plant air pollution monitoring system. It records and validates real time power plant emissions data and transmits the information to the EPA and SCAQMD. The DAHS software is proprietary and exclusive to Babcock & Wilcox because it contains complex equations and specific programming language needed for compliance with each power plant's operating air permit. The DAHS software also maintains historical emissions data, instrument calibrations and other critical information required to demonstrate compliance during annual SCAQMD audits.

**DISCUSSION:**

Babcock & Wilcox provides excellent support and timely environmental reports. For the past three years, Babcock & Wilcox has demonstrated commitment to software enhancements and customer satisfaction.

Staff recommends renewing the technical software support agreement with Babcock & Wilcox for an additional three years.

This is sole source procurement for goods, because the specialized software support is only available through Babcock & Wilcox. Under Section 201(c) of City Council Resolution No. 22576, formal competitive procurement is not required if the procurement can only be obtained from a sole source or timely from a single source and the City's Purchasing Services Manager is satisfied that the best price, terms and conditions for the procurement have been negotiated. Here, the procurement can only be obtained from a single source, for the reasons noted above, and the City's Purchasing Services Manager is satisfied that the best price, terms and conditions for the procurement have been negotiated.

This is a direct negotiation with a selected vendor and a Request for Proposals has not been issued. Under City Administrative Manual section 02.004.00, the City Manager may waive the formal request for proposal process and allow direct negotiations with one vendor if it is in the best interests of the City to do so. Here, the services offered by Babcock & Wilcox are so special and unique that other vendors are unable to provide a comparable service. Accordingly, the City Manager has determined it is in the best interests of the City to not issue a Request for Proposals and instead negotiate directly with Babcock & Wilcox.

The following table outlines the total contract value with Babcock & Wilcox.

Description of Service	Per Year
Technical Software Support Services:	
Riverside Energy Resource Center	\$7,700
Springs Generating Station	\$6,380
Clearwater Power Plant	\$6,050
<b>Total Technical Software Support Services</b>	<b>\$20,130</b>
Quarterly Electronic Data Reporting Generation Services	
Riverside Energy Resource Center \$2,200 x 4 quarters	<b>\$8,800</b>
<b>Total Cost Per Year</b>	<b>\$28,930</b>
<b>Total cost for three years</b>	<b>\$86,790</b>

#### **FISCAL IMPACT:**

Total fiscal impact is \$86,790. Sufficient funds are available in the Power Resource Power Generation Facilities Professional Services Account Nos. 6120120-421000, 6120130-421000, and 6120140-421000 in the fiscal year 17/18 budget to cover the three years.

Prepared by: Daniel E. Garcia, Utilities Assistant General Manager/Resources  
 Approved by: Girish Balachandran, 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, Utilities Assistant General Manager/Finance

#### **Attachments:**

1. Software Service Agreement S2016\_115R5
2. Presentation