

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: April 27, 2020

ITEM NO: 6

SUBJECT: AGREEMENT FOR DATA ACQUISITION SOFTWARE SUPPORT SERVICES AT RIVERSIDE POWER PLANTS WITH CEMTEK ENVIRONMENTAL, INC. FOR A FIVE-YEAR TERM IN A TOTAL AMOUNT OF \$144,650

ISSUE:

Approve an Agreement with Cemtek Environmental, Inc., of Santa Ana, California, to provide data acquisition software support services at Riverside power plants for a five-year term in a total amount of \$144,650.

RECOMMENDATIONS:

That the Board of Public Utilities

1. Approve an Agreement with Cemtek Environmental, Inc., of Santa Ana, California, to provide data acquisition software support services at Riverside power plants including Riverside Energy Resource Center, Springs Generating Station and the Clearwater Power Plant for a five-year term in a total amount of \$144,650; and
2. Authorize the City Manager, or designee, to execute the Agreement including the ability to make non-substantive changes as well as execute future amendments or extensions to the agreement under the same price and substantially similar terms and conditions.

BACKGROUND:

The United States Environmental Protection Agency and the South Coast Air Quality Management District (SCAQMD) require continuous emissions monitoring at the Riverside Energy Resource Center, Springs and Clearwater Power Plants. There are a total of nine (9) units at these locations which utilize a Data Acquisition System (DAS) that monitors records and validates real time power plant emissions. Historical emissions and calibration data from each unit is transmitted daily and certified each quarter.

Each power plant operates under a strict air permit and each DAS is programmed to alarm technicians to issues that could be an exceedance or a deviation to a permit condition. This customized program is a valuable tool and aids technicians as they navigate through various operating situations.

In 2013, Riverside acquired the B&W DAS software through the formal bidding process process. This upgrade replaced obsolete and unsupported software that usually required numerous hours in demonstrating compliance. The B&W DAS upgrade included a 3-year software support service that has been crucial in achieving total compliance with power plant environmental regulations.

In 2017, the Board approved a second 3-year agreement with B&W. In 2018, CEMTEK Environmental Inc

(CEMTEK) acquired the DAS Software from B&W and eventually assumed the DAS software support agreement with Riverside. The second 3-year term expires on June 30, 2020.

DISCUSSION:

The DAS software is proprietary and exclusive to CEMTEK. It contains complex SCAQMD equations and specific programming language needed for compliance with each power plant's operating air permits.

CEMTEK has demonstrated a strong commitment to customer satisfaction and their software product. They provide timely environmental reports and reasonable responses to all trouble calls with the DAS. The SCAQMD are making significant rule changes revising the monitoring, recordkeeping, reporting requirements. CEMTEK is proactively working through these changes with SCAQMD and prepared to support their customers in Southern California.

Software support prices have been fixed since 2013 and CEMTEK proposes to keep prices the same for the next five years. Based on CEMTEK good performance and reasonable pricing, staff recommends approving the DAS software support agreement for five additional years.

Under Section 702(c) of City Council Resolution No. 23256, 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. In this case, the procurement can only be obtained from a single source, for the reasons noted above, and the City's Purchasing 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 CEMTEK are so specialized 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 CEMTEK.

Also, under Section 702(q) of City Council Resolution No. 23256, Exceptions, Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required when the Procurement is for the annual maintenance, license(s), support, or similar need for current technology systems, including hardware, and the items procured are from the owner/developer of the software/hardware or from a sole source provider, and the Manager is satisfied that the best price, terms and conditions have been negotiated. The Purchasing Manager concurs that the recommended actions comply with Purchasing Resolution No. 23256.

The following table outlines the total contract value with CEMTEK.

Description of Service	Account	Per Year
Technical Software Support Services:		
Riverside Energy Resource Center	6120130-421000	\$7,700
Springs Generating Station	6120120-421000	\$6,380
Clearwater Power Plant	6120140-421000	\$6,050
Total Technical Software Support Services		\$20,130
Quarterly Electronic Data Reporting Generation Services		
Riverside Energy Resource Center \$2,200 x 4 quarters	6120130-421000	\$8,800
Total Cost Per Year		\$28,930

Total cost for five years	\$144,650
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FISCAL IMPACT:

The total fiscal impact for the software agreement is \$144,650. Sufficient funds for fiscal year 2019/20 in the amount of \$28,930 are available in the following accounts: RERC Professional Services Account No. 6120130-421000, Springs Professional Services Account No. 6120120-421000 and Clearwater Professional Services Account No. 6120140-421000. Funding for fiscal year's 2020/21 through 2023/24 will cost \$28,930 per year and will be included as part of the budget process for those years.

Prepared by: Daniel E. Garcia, Utilities Assistant General Manager/Resources
Approved by: Todd M. Corbin, Utilities General Manager
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
of funds: Brian Seinturier, Utilities Fiscal Manager

Attachments:

1. Cemtek Agreement
2. Presentation