

# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE: FEBRUARY 12, 2024**

**SUBJECT: REQUEST FOR PROPOSAL NO. 2307 – SERVICES AGREEMENT TO PERFORM CONTINUOUS EMISSIONS MONITORING SYSTEM MAINTENANCE AT THE CLEARWATER POWER PLANT FOR A PERIOD OF FIVE YEARS WITH PACIFIC STANDARD ENVIRONMENTAL, INC. OF HUNTINGTON BEACH, CALIFORNIA, IN THE AMOUNT OF \$183,183.70, COMMENCING ON JULY 1, 2024**

**ISSUE:**

Consider approval of a Services Agreement from Request for Proposal No. 2307 to perform continuous emissions monitoring system maintenance at the Clearwater Power Plant for a period of five years, with Pacific Standard Environmental, Inc. of Huntington Beach, California, in the amount of \$183,183.70, commencing on July 1, 2024, through June 30, 2029.

**RECOMMENDATIONS:**

That the Board of Public Utilities:

1. Approve a Services Agreement from Request for Proposal No. 2307, with Pacific Standard Environmental, Inc. of Huntington Beach, California, to perform continuous emissions monitoring system maintenance at the Clearwater Power Plant for a period of five years, commencing on July 1, 2024, through June 30, 2029, in the amount of \$183,183.70; and
2. Authorize the City Manager, or designee, to execute the services agreement with Pacific Standard Environmental, Inc. including making minor non-substantive changes.

**BACKGROUND:**

The Clearwater Power Plant (Clearwater) was originally commissioned in 2005 and later acquired by the City of Riverside in September 2010. Clearwater is a combined-cycle power plant that produces 30 megawatts of efficient power and serves an important role in providing electricity to the City of Riverside customers.

The United States Environmental Protection Agency and South Coast Air Quality Management District (SCAQMD) require Continuous Emissions Monitoring Systems (CEMS) as part of Riverside Public Utilities' (RPU) operating permit. The Clearwater CEMS uses three air emissions analyzers that are certified through rigorous testing protocols prescribed by the SCAQMD. Maintaining compliance with SCAQMD regulations requires "24/7" monitoring, daily calibrations,

annual third-party accuracy test audits, and the completion of manufacturer's recommended maintenance. Performing the periodic maintenance tasks, outlined in Clearwater's CEMS quality assurance manual, requires technicians with highly specialized skills and experience. Expertise in maintaining environmental compliance and reliable operations is necessary to assist staff's ongoing maintenance.

The photos illustrate Clearwater's CEMS shelter and the certified emissions analyzers that monitor the air emissions.



## **DISCUSSION:**

On July 26, 2023, the Finance Department/Purchasing Division released Request for Proposal No. 2307 (RFP 2307) on behalf of Riverside Public Utilities (RPU). On August 23, 2023, RPU conducted a non-mandatory pre-proposal job walk at the Clearwater location with three prospective bidders in attendance. On September 7, 2023, three bidders submitted proposals.

**Table 1 ~ RFP Notification Summary**

| Action                             | Number of Vendors |
|------------------------------------|-------------------|
| External Vendors Notified          | 500               |
| City of Riverside Vendors Notified | 114               |
| Vendors Who Downloaded the RFP     | 28                |
| Proposals Received                 | 3                 |

In review of the responsiveness of the three proposals received, one bidder was deemed non-responsive for not meeting the minimum bidding requirements. RPU only receiving two proposals is not unusual for obtaining these highly specialized services. RPU staff evaluated two proposals. After careful evaluations of both proposals, Purchasing staff recommended awarding to Pacific Standard Environmental, Inc. (PSE) as they are the highest rated proposer. PSE provided favorable pricing and covered all the scope of work identified in the RFP.

**Table 2 ~ Proposals Received**

| Vendor                                      | Location                    | Score<br>(100 Max) | Amount             | Rank     |
|---|-----------------------------|--------------------|--------------------|----------|
| <b>Pacific Standard Environmental, Inc.</b> | <b>Huntington Beach, CA</b> | <b>96.33</b>       | <b>\$83,183.70</b> | <b>1</b> |
| Cemtek Environmental, Inc.                  | Santa Ana, CA               | 63                 | \$182,129.84       | 2        |
| *CEM Specialties Inc.                       | Ontario, CAN                | n/a                | n/a                | n/a      |

\*CEM Specialties Inc. was deemed non-responsive due to the submittal of an incomplete proposal.

The bid requirements included a quote for hourly maintenance rate. Due to the strict 24/7 monitoring requirement and the time constraints for maintenance, staff recommends a limit of \$20,000 per year to be used for any minor, as-needed, repairs encountered during the execution of routine preventative maintenance. The approved limit of \$20,000 will remain in the Generation budget and only tasks with prior approval from plant management will be encumbered.

**Table 3 ~ Fiscal Year Breakdown**

|                                 | FY24/25      | FY25/26      | FY26/27      | FY27/28      | FY28/29      | Total         |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Annual Preventative Maintenance | \$ 18,991.98 | \$ 12,572.97 | \$ 16,730.31 | \$ 16,729.36 | \$ 18,159.08 | \$ 83,183.70  |
| As-need Repairs                 | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 100,000.00 |
| Total                           | \$ 38,991.98 | \$ 32,572.97 | \$ 36,730.31 | \$ 36,729.36 | \$ 38,159.08 | \$ 183,183.70 |

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 23914.

### **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**

**Goal 4.3.** Implement local and support regional proactive policies and inclusive decision-making processes to deliver environmental justice and ensure that all residents breathe 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).

The 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 the power plant can safely and effectively operate and provide reliable electricity benefiting the entire City and all customers.
3. **Fiscal Responsibility** – Pacific Standard Environmental, Inc. provided the lowest price that included favorable rates for five years.

4. **Innovation** – Having a five-year period fits well with Riverside’s environmental compliance program and contributes to the development of best practices. Staff anticipates significant rule changes and having a consistent vendor for CEMS maintenance is crucial for these transitions.
5. **Sustainability & Resiliency** – Clearwater power plant operates 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 five years supports the goal of environmental stewardship while sustaining highly reliable power plant operations.

### **FISCAL IMPACT:**

The total five-year contract term is \$183,183.70. For Fiscal Year 2024/25, the total cost is \$38,991.98. Sufficient funds have been included in the proposed fiscal years 2024/25 – 2025/26 budget in the Public Utilities Maintenance Generating Plant Account No. 6120140-424131.

Future years’ funding, as shown in Table 3, will be included as part of the biennial budget process for the term of this Agreement.

|   |  |
|---|--|
| Prepared by:                              | Daniel E. Garcia, Utilities Deputy General Manager/Power Resources |
| Approved by:                              | Todd M. Corbin, Utilities General Manager                          |
| Certified as to<br>availability of funds: | Kristie Thomas, Finance Director/Assistant Chief Financial Officer |
| Approved by:                              | Rafael Guzman, Assistant City Manager                              |
| Approved as to form:                      | Phaedra A. Norton, City Attorney                                   |

### **Attachments:**

1. Award Recommendation
2. Services Agreement with Pacific Standard Environmental, Inc.
3. Presentation