



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: FEBRUARY 10, 2025

SUBJECT: APPROVE AN AGREEMENT WITH CEMTEK ENVIRONMENTAL, INC. OF SANTA ANA, CALIFORNIA FOR SOFTWARE SUPPORT OF THE DATA ACQUISITION AND HANDLING SYSTEM AT THE RIVERSIDE POWER PLANTS FOR A FIVE-YEAR TERM IN THE TOTAL AMOUNT OF \$223,580.

ISSUE:

Consider approving an agreement with CEMTEK Environmental, Inc. of Santa Ana, California for software support of the data acquisition and handling system at the Riverside power plants for a five-year term in the total amount of \$223,580.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve an agreement with CEMTEK Environmental, Inc. of Santa Ana, California for software support of the data acquisition and handling system at the Riverside power plants for a five-year term in the total amount of \$223,580; and
2. Authorize the City Manager, or designee, to execute the agreement with CEMTEK Environmental, Inc., 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:

Continuous Emissions Monitoring Systems (CEMS) are mandated by both the United States Environmental Protection Agency (EPA) and the South Coast Air Quality Management District (SCAQMD) as a condition in the operating permits for all three power plants: Riverside Energy Resource Center (RERC), Springs Power Plant (Springs), and Clearwater Power Plant (Clearwater). There is a total of nine CEMS units at these facilities, and each unit utilizes Data Acquisition and Handling System (DAHS) software that is SCAQMD certified.

The DAHS is a specialized and complex software program that continuously monitors, records, validates, and analyzes real-time emissions data and reports the certified information to SCAQMD and the EPA. It is a critical component for maintaining environmental compliance. Each DAHS is specifically programmed to ensure that the power plants are operating within the strict permit conditions. If a potential issue arises, such as an exceedance or a deviation to a permit condition,

the DAHS will send out an alarm. This is a valuable tool because it aids the technicians as they navigate various situations that can occur while operating the power plants.

On June 21, 2013, the Board approved an agreement with Babcock & Wilcox Power Generation Group, Inc. (B&W) for engineering, configuration, and installation of the DAHS software and a three-year service contract for software maintenance and support. This agreement was acquired through the formal bidding process. On April 10, 2017, the Board approved the extension of the service contract for an additional three years.

In 2018, CEMTEK Environmental, Inc. (CEMTEK) acquired the DAHS software from B&W and eventually assumed the existing agreement for software maintenance and support which expired on June 30, 2020.

On April 27, 2020, the Board approved a five-year agreement with CEMTEK to provide continued DAHS software support services through June 30, 2025.

DISCUSSION:

The DAHS software is proprietary and exclusive to CEMTEK. It contains complex SCAQMD equations and specific programming language needed for compliance with each power plants operating permits.

CEMTEK has demonstrated a strong commitment to customer satisfaction and the quality of their software products. They provide timely environmental reports and respond promptly to all trouble calls related to the DAHS. As the SCAQMD implements significant rule changes that affect monitoring, recordkeeping, and reporting requirements, CEMTEK is proactively working through these changes with SCAQMD and is fully prepared to support their customers throughout Southern California.

The cost of the DAHS software support has remained fixed since 2013. Given the current inflationary market, staff has negotiated a reasonable 20% increase from the original pricing, with the assurance that these rates will remain fixed through 2030. Considering CEMTEK's strong performance and reasonable pricing, staff recommends approving the DAHS software support agreement for five additional years.

Purchasing Resolution 24101, Section 702 states "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: (u) When the Procurement is for the renewal of maintenance, license(s), support, or a similar need for existing technology systems, including hardware, and the items are procured from a vendor/reseller that was originally selected based on the City's procurement standards, provided that 1) the vendor has been used consecutively since then and 2) if there are any non-substantive changes to the procurement, the Manager is satisfied that the best price, terms and conditions have been negotiated."

The Purchasing Manager concurs that the recommended action is in compliance with Purchasing Resolution No. 24101, Section 702(u).

STRATEGIC PLAN ALIGNMENT:

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

Strategic Priority No. 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 No. 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 No. 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.

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 RPU’s power plants can safely and effectively operate and provide reliable electricity benefitting the entire City and all customers.
3. **Fiscal Responsibility** – Staff negotiated the lowest price possible for this highly specialized software support services. The reasonable price increase of 20% from the original cost in 2013 will be held fixed for the next five years.
4. **Innovation** – The DAHS software is originally programmed to not only meet federal and local environmental air emissions regulations but also customized to meet the specific operating permit requirements at RERC, Springs, and Clearwater. Through active rule participation and a proactive approach with CEMTEK, the DAHS software is strategically positioned to transition to new or amended regulations.
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 five years supports the goal of environmental stewardship while sustaining highly reliable power plant operations.

FISCAL IMPACT:

The total fiscal impact for the five-year term is \$223,580. Sufficient funds for fiscal year 2025/26 in the amount of \$44,716 are available in the following Public Utilities Professional Services Accounts: 6120120-421000, 6120130-421000, 6120140-421000. Funding for fiscal year’s 2026/27 through 2029/30 will be included as part of the biennial budget process.

Fiscal Year Breakdown

	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	Total
Software Support	\$24,156	24,156	\$24,156	\$24,156	\$24,156	\$120,780
EPA Quarterly Reporting	\$10,560	\$10,560	\$10,560	\$10,560	\$10,560	\$52,800
As-needed support	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
Total	\$44,716	\$44,716	\$44,716	\$44,716	\$44,716	\$223,580

Prepared by: Scott M. 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: Jack Liu, Interim City Attorney

- Attachments:
1. Services Agreement with CEMTEK Environmental, Inc.
 2. Presentation