



OPERATIONS COMMITTEE

Agenda Report

Headquarters
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File #: 2025-4315

Agenda Date: 7/2/2025

Agenda Item No: 4.

FROM: Robert Thompson, General Manager
Originator: Riaz Moinuddin, Director of Operations & Maintenance

SUBJECT:

ENGINE EXHAUST HEAT RECOVERY BOILER ASSESSMENT, SPECIFICATION NO. CS-2025-650BD

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Professional Consultant Services Agreement with Pond and Company, Inc. for Engine Exhaust Heat Recovery Boiler Assessment, Specification No. CS-2025-650BD, for an average annual amount of \$399,515 with four (4) optional one-year renewals for a total contract amount not to exceed \$1,598,060;
- B. Authorize the General Manager or his designee to amend the Professional Consultant Services Agreement to move funds from one term to another, as necessary, due to business needs with the total overall amount over five (5) years not to exceed \$1,598,060; and
- C. Approve an annual contingency of \$39,952 (10%).

BACKGROUND

The Central Generation facilities at Orange County Sanitation District (OC San) Plant Nos. 1 and 2 have been in operation for over 30 years. The major support equipment has aged and degraded to varying degrees. To ensure the facilities are reliable, it is necessary to perform extensive boiler cleaning and assess the condition and remaining useful life of the eight (8) Engine Exhaust Heat Recovery Boiler Systems. Staff anticipate that two (2) boilers per year will be assessed.

RELEVANT STANDARDS

- Maintain a proactive asset management program
- Protect OC San assets
- Use all practical and effective means for resource recovery

PROBLEM

The Exhaust Heat Recovery Boilers undergo a yearly in-depth inspection by Hartford Steam Boiler Inspection and Insurance Company to meet annual permitting requirements. OC San has a need for a thorough and comprehensive assessment to address the decline in performance.

PROPOSED SOLUTION

Establish a Professional Consultant Services Agreement (Agreement) with Pond and Company, Inc. to conduct boiler cleaning to enhance performance. The Agreement will also include a comprehensive internal and external assessment of the boilers to evaluate their current condition and support planning for any necessary repairs or replacement.

TIMING CONCERNS

Timely approval of the Agreement will allow for the cleaning and assessment efforts of the boilers. This will support OC San's asset restoration goals, extend service life, and reduce the risk of equipment failures caused by corrosion or other structural issues.

RAMIFICATIONS OF NOT TAKING ACTION

Without an assessment of the boilers, equipment performance will continue to degrade, leading to reduced efficiency. Potential failures may force critical systems out of service which could impact overall plant reliability and safety.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

A Request for Proposal was issued on January 22, 2025, for the Engine Exhaust Heat Recovery Boiler Assessment with one (1) proposal received. Prior to the receipt of the proposal, an evaluation team consisting of various OC San staff was formed. Individual scoring was the chosen method of evaluation for this procurement. Members of the team performed an independent review of the proposal and later met as a group with the Purchasing Representative to discuss their preliminary scores, questions, and concerns.

The Proposal was evaluated using standard procurement procedures and found to be acceptable based on the published evaluation criterion. OC San intends on providing two (2) boilers for assessment and cleaning per year.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget FY 2024-25 and 2025-26, Section 6, Page 112, Professional & Contractual Services) and the budget is sufficient for the recommended action.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
07/23/2025	\$1,598,060	\$159,806 (10%)

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Professional Consultant Services Agreement

RM/ls