



OPERATIONS COMMITTEE

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Agenda Report

File #: 2022-2568

Agenda Date: 10/26/2022

Agenda Item No: 8.

FROM: James D. Herberg, General Manager
Originator: Riaz Moinuddin, Director of Operations & Maintenance

SUBJECT:

SERVICE AGREEMENT FOR CENTRAL GENERATION CONTINUOUS EMISSIONS MONITORING SYSTEMS

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Approve a Sole Source General Services Contract with CEMTEK Environmental for Central Generation Automation/Continuous Emissions Monitoring Systems (CEMS) Maintenance Services (Specification No. CEMS22-27) at both Central Generation facilities for a five-year period beginning November 23, 2022 through November 22, 2027, for a total amount not to exceed \$667,500; and
- B. Approve a contingency of \$66,750 (10%).

BACKGROUND

Orange County Sanitation District (OC San) operates eight CEMS units to continually monitor the exhaust gases for each of the eight Central Generation engines as required by South Coast Air Quality Management District (SCAQMD) permits. The CEMS units and supporting Data Acquisition and Handling Software (DAHS) are both manufactured by CEMTEK Environmental (CEMTEK) and were installed under a capital improvement project.

CEMTEK is the sole manufacturer of this specialized equipment and the supporting software, therefore they are uniquely qualified to maintain it. They have been successfully providing OC San this service since 2007.

RELEVANT STANDARDS

- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities
- Maintain a proactive asset management program

PROBLEM

The CEMS software installed at OC San's Central Generation facilities is custom and unique software installed by a capital improvement project to monitor the emissions in accordance with SCAQMD permit technical requirements. The CEMS software uses customized proprietary programming code written by CEMTEK.

PROPOSED SOLUTION

Staff recommends approving a purchase order agreement with CEMTEK for CEMS hardware, software, and reporting services maintenance for a five-year term. This will help ensure reliability, regulatory compliance, and continual support services.

TIMING CONCERNS

The current five-year contract ends November 22, 2022 after which the equipment will not be considered under a maintenance contract unless renewed.

RAMIFICATIONS OF NOT TAKING ACTION

Continual monitoring services are required by SCAQMD permits. If CEMS units and the support system are nonoperational, the SCAQMD could consider the facility out of compliance, requiring Central Generation engine(s) to shutdown.

PRIOR COMMITTEE/BOARD ACTIONS

October 2017 - Approved a Sole Source Service Purchase Order Agreement with CEMTEK Environmental for maintenance services of the Central Generation automation/continuous emissions monitoring systems at both Central Generation facilities for a five-year period beginning November 23, 2017 through November 22, 2022, for a total amount not to exceed \$580,625, and approved a contingency of \$58,063 (10%).

ADDITIONAL INFORMATION

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This recommendation will be funded under the Repairs and Maintenance line item for Plant No. 1 Operations and Plant No. 2 Operations (Proposed Budget Fiscal Years 2022-2023 and 2023-2024, Section 6, Pages 84 and 88), and the available funding is sufficient for this action.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
10/26/2022	\$667,500	\$66,750 (10%)

ATTACHMENT

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

- General Services Contract

PP:cf