



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

Handwritten signature of Michael S. Webster in blue ink.

MICHAEL S. WEBSTER
Executive Director - Power System
Engineering and Technical Services

Handwritten signature of Marcie L. Edwards in blue ink.

MARCIE L. EDWARDS
General Manager

DATE: September 25, 2015

SUBJECT: Amendment No. 1 to Agreement No. 47105-3 (Agreement) for Emissions Reduction Catalyst Management Plan Services, with Environex, Inc. (Environex)

SUMMARY

This proposed Amendment No. 1 is to extend the term of the Agreement by 84 months to October 2, 2022, for a total term of 120 months. This amendment will not change the not-to-exceed amount of \$2,600,000 (budgeted). All other terms and conditions will remain the same.

At the time of the original award, LADWP was planning to conduct testing of each unit annually. However, based on the data from the first sample set, the Emissions Reduction Catalyst Management Plan (ERCMP) was changed from testing each unit every year to every three years which extended the schedule significantly.

This amendment is needed to provide additional time for LADWP to collect the remaining sample data sets necessary to generate end-of-life curves for LADWP's emissions reduction catalysts located at Haynes, Harbor, Scattergood, and Valley Generating Stations. The end-of-life curves allow LADWP staff to estimate the end of a catalyst's ability to effectively control emissions as required by the South Coast Air Quality Management District (SCAQMD) Facility's Permit to Operate (Permit).

City Council approval is required in accordance with Charter Section 373.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of Amendment No. 1 to the Agreement with Environex as required in Charter Section 373.

ALTERNATIVES CONSIDERED

The alternative to the proposed Amendment No. 1 is to develop, advertise and award a new contract. This alternative is not recommended because there is no industry standard to sample and test emissions reduction catalysts for remaining life. Therefore, test results from a contractor other than Environex would compromise the integrity of the existing data. Without this amendment, LADWP staff would not be able to estimate remaining life of its catalysts, which is required to effectively control emissions within SCAQMD's Permit limits.

FINANCIAL INFORMATION

The Agreement currently expires on October 2, 2015. The proposed Amendment No. 1 would extend the Agreement by 84 months to October 2, 2022, and will not affect the original Agreement's not-to-exceed amount of \$2,600,000.

BACKGROUND

On September 18, 2012, the Board approved Resolution 013-061 allowing LADWP to implement an ERCMP with Environex for an amount not to exceed \$2,600,000 and for a term of three years.

The ERCMP is needed to effectively control emissions within SCAQMD Permit limits by monitoring and testing the emissions reduction catalyst performance capabilities every three years to collect three sets of sample data to generate end-of-life curves. Based on Table 1 and Table 2, an additional 84 months is needed to collect the sample data.

Completed Tests		
Unit	Test Date	Test #
First Data Set		
SGS U1/2	Dec-12	1
HGS 10-14	Apr-13	1
HGS 1/2	Nov-13	1
VGS 5	Nov-13	1
HnGS 1	Feb-2014	1
VGS 6/7	Apr- 2014	1
HnGS 2	Jun-2014	1
HnGS 16	Dec-2014	1
HnGS 11-15	Mar-2015	1

Table 1: Completed Emissions Reduction Catalyst Tests

Tentative Future Test Dates		
Unit	Test Date	Test #
HnGS 9/10	Oct-2015	1
Second Data Set		
HGS 1/2	Oct-2016	2
HGS 10-14	Oct-2016	2
SGS U1	Nov-2016	2
VGS 5	Nov-2016	2
SGS U2	Jan-2017	2
HnGS 1	Jan-2017	2
VGS 6/7	Jan-2017	2
HnGS 2	April-2017	2
HnGS 11-15	Feb-2018	2
HnGS 9/10	Oct-2018	2
Third Data Set		
HGS 1/2	Oct-2019	3
HGS 10-14	Oct-2019	3
SGS U1	Nov-2019	3
VGS 5	Nov-2019	3
SGS U2	Jan-2020	3
HnGS 1	Jan-2020	3
VGS 6/7	Jan-2020	3
HnGS 2	April-2020	3
HnGS 11-15	Feb-2021	3
HnGS 9/10	Oct-2021	3

Table 2: Tentative Future Emissions Reduction Catalyst Tests

Amendment No. 1 will allow LADWP to complete the collection of the remaining sample data sets and maintain the integrity of the existing data by continuing the Agreement with Environex.

Environex has performed satisfactorily under current and previous agreements.

The City Administrative Officers Report, dated September 9, 2015, is attached.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that establishing and awarding a contract to develop an ERCMP is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3). General Exemption applies in situations where it can be seen that there is no possibility that the activity in question may have significant effect on the environment.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved Amendment No. 1 and the Resolution as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution
- Amendment No. 1 to Agreement
- CAO Report