

Montrose Air Quality Services, LLC --- Professional Services Agreement

Heather Johnson, Environmental Services Officer

Board of Public Utilities
November 18, 2021



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Background

- Solids from the treatment system are sent to the four anaerobic digesters
- Gas conditioning system
 - Iron sponge = H₂S removal
 - Carbon vessels = siloxane removal
- Four combined heat and power (CHP) engines
- Emissions are regulated under Bay Area Air Quality Management District Permits.



Scope

- Monthly Emission Monitoring on the CHP engines
- Monthly Process Monitoring for siloxanes to determine gas conditioning system efficacy
- Annual Compliance Demonstration Source Test on CHP engines
- Contractor should be able to support as-needed monitoring
- Submit to the City a report of emissions results within 4 weeks of test completion



Request for Proposal (RFP) Process

- RFP was posted to Planet Bids
 - Additional solicitation emails were sent to ~30 Contractors listed on the California Air Resources Board as “Approved Independent Contractors”
- 2 Responses received
- 3 Person Proposal Review Committee
- Montrose Air Quality Services selected as most qualified



Professional Services Agreement

- Monthly/Annual/As-needed emission sampling and testing at LTP
- Submittal of a draft and final report at the conclusion of testing
- Proposed cost is \$200,000 for three years



Professional Services Agreement - changes

5. INSURANCE

a. Consultant shall maintain in full force and effect all of the insurance coverage described in, and in accordance with, Attachment One, "Insurance Requirements." Maintenance of the insurance coverage set forth in Attachment One is a material element of this Agreement and a material part of the consideration provided by Consultant in exchange for City's agreement to make the payments prescribed hereunder. Failure by Consultant to (i) maintain or renew coverage, (ii) provide City notice of any changes, modifications, or reductions in coverage, or (iii) provide evidence of renewal, may be treated by City as a material breach of this Agreement by Consultant, whereupon City shall be entitled to all rights and remedies at law or in equity, including but not limited to immediate termination of this Agreement. Notwithstanding the foregoing, any failure by Consultant to maintain required insurance coverage shall not excuse or alleviate Consultant from any of its other duties or obligations under this Agreement. In the event Consultant, with approval of City pursuant to Section 6 below, retains or utilizes any subcontractors or subconsultants in the provision of any services to City under this Agreement, Consultant shall assure that any such subcontractor has first obtained, and shall maintain, all of the insurance coverages set forth in the Insurance Requirements in Attachment One.

b. ~~Consultant agrees that any available insurance proceeds broader than or in excess of the coverages set forth in the Insurance Requirements in Attachment One shall be available to the additional insureds identified therein.~~

c. Consultant agrees that the insurance coverages and limits provided under this Agreement are ~~the greater of: (i) the coverages and limits specified in Attachment One, or (ii) the broader coverages and maximum limits of coverage of any insurance policy or proceeds available to the name insureds.~~

PSA Changes

- Removed language allowing City to recover funds against any other potential excess insurance held by contractor
- Evaluation of work to be performed by Montrose
 - Greatest risk to City would be failure to perform/negligence which could cause permit violations or fines
 - Likelihood of needing insurance beyond Attachment 1 or indemnity is minimal



Recommendation

- It is recommended by the Contract Review Subcommittee and the Water Department that the Board of Public Utilities support approval of a Professional Services Agreement (PSA) with Montrose Air Quality Services, LLC for emission testing services at the Regional Laguna Treatment Plant.



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