

February 26, 2015

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

**SUBJECT: Procurement (Services) Contract –
Southeast New York – Continuous Emission
Monitoring System Hardware Maintenance
Services – Contract Award**

SUMMARY

The Trustees are requested to approve the award of a five-year procurement (services) contract in the amount of \$1.5 million to CEMTEK Systems, Inc. of Linden, NJ for services in connection with the Continuous Emission Monitoring System (“CEMS”) hardware maintenance for the combustion turbine generators at the Authority’s Southeast New York (“SENY”) power plants.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for procurement contracts involving services to be rendered for a period in excess of one year.

The Authority’s Expenditure Authorization Procedures (“EAPs”) require the Trustees’ approval for the award of non-personal services, construction, equipment purchase or non-procurement contracts in excess of \$3 million, as well as personal services contracts in excess of \$1 million if low bidder or \$500,000 if sole-source or non-low bidder.

DISCUSSION

The Authority’s SENY Region consists of nine facilities, which contain fourteen combustion turbine generators (“CTGs”). All SENY facilities have a Title V Air Permit, which allows the Authority to operate the CTGs as long as their emissions conform to the limits set forth in the permit. Each of the CTGs has a CEMS and a Data Acquisition and Handling System (“DAHS”) to monitor the performance of the emission control equipment and to collect the data which demonstrates compliance with the air permit emission limits as well as provide data for reports which are submitted to the United States Environmental Protections Agency (“USEPA”) and the New York State Department of Environmental Conservation (“NYS DEC”).

The contractor will provide CEMS hardware maintenance services such as daily and weekly operational checks, periodic calibrations, repair/replacement of malfunctioning equipment and preventative maintenance necessary to ensure CEMS availability of at least 95%.

In response to the Authority’s Request for Proposals (“RFP”) advertised in the New York State *Contract Reporter* (Inquiry No. Q14-5775RH) on November 10, 2014, thirty-nine (39) companies downloaded the bid documents from the Authority’s Procurement website and two submitted proposals. The bid pricing is summarized below.

Bidder	City, State	Hardware Maintenance	Consummables	Emergency Callouts	Total
B&W	Hatfield, PA	\$1,195,377	\$50,814	\$24,000	\$1,270,191
CEMTEK Systems	Linden, NJ	\$1,172,720	\$22,985	\$37,680	\$1,233,385

Review of the submitted bid proposals established that both bidders understand the services required and are qualified to perform the work. All of the bidders provided detailed corporate experience as well as the resumes of the key personnel that would be involved in the program. The corporate work histories, key personnel resumes and proposed staffing levels were evaluated against the inquiry’s schedule of services and all of the bidders demonstrated adequate experience and, based on the resumes provided, are proposing to use adequately qualified personnel. Therefore, the final decision came down to cost, past Authority experience and proposed staffing levels.

Staff first reviewed the firm lump-sum pricing submitted by each bidder for maintenance activities, consumables and emergency callouts. Staff then calculated the projected costs based on estimated hours and pricing submitted by each bidder, as further set forth in the award recommendation documents. Finally, the technical qualifications, past Authority experience and staffing levels were reviewed. CEMTEK Systems, Inc., the current contract holder, is the lower-priced evaluated bidder, more technically qualified and better staffed to provide the SENY CEMS hardware maintenance services as outlined in the RFP. The company has an expert who understands the Authority’s Continuous Emission Monitoring Systems (“CEMS”) equipment, the Babcock & Wilcox software, PLC interface, operating facilities, and the reporting process. CEMTEK has consistently delivered high quality maintenance services and superior emergency callout response resulting in greater than 95% CEMS availability.

FISCAL INFORMATION

Payment associated with this project will be made from the Authority’s Operating Fund.

RECOMMENDATION

The Senior Vice President – Power Generation, the Acting Vice President – Procurement, the Vice President – Environment, Health & Safety, the Assistant General Counsel and the Regional Manager – SENY recommend that the Trustees approve the award of a five-year contract to CEMTEK Systems, Inc. of Linden, NJ in the amount of \$1.5 million for the Continuous Emission Monitoring System (“CEMS”) hardware maintenance services at the Authority’s Southeast New York (“SENY”) power plants.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Gil C. Quiniones
President and Chief Executive Officer

RESOLUTION

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award a five-year contract to CEMTEK Systems, Inc. of Linden, NJ, in the amount of \$1.5 million, for the Continuous Emission Monitoring System (“CEMS”) hardware maintenance services at the Authority’s Southeast New York (“SENY”) power plants as recommended in the foregoing memorandum of the President and Chief Executive Officer;

Contractor

CEMTEK Systems, Inc.
Linden, NJ

Contract Approval

\$1,500,000

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chair, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.