

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACT FOR PURCHASE OF A MERCURY CONTINUOUS EMISSIONS MONITOR FOR ELECTRIC SERVICES

BACKGROUND:

This contract is for the purchase of a mercury continuous emissions monitor for the City's power plant. The City plans to install a continuous emission monitoring system (CEMS) to measure gaseous forms of mercury (elemental and oxidized) in the stack gasses for Unit 8 Boiler in accordance with the USEPA Clean Air Mercury Rule (CAMR).

CAMR is a new rule and requires continuous monitoring of mercury beginning in January of 2009 for boilers that emit more than 29 pounds of mercury annually. It should be noted that the "cap and trade" provisions of CAMR for limiting mercury emissions nationwide have recently been struck down by the U.S. Court of Appeals for the District of Columbia Circuit. **However, the mercury monitoring provisions of CAMR remain in force, and the CEMS will be needed to carry out this monitoring.**

Stack testing for Unit 8 in 2007 confirmed that Unit 8 emits more than 29 pounds of mercury annually, and thus will be subject to the CEMS requirement.

The monitoring system will continuously extract a sample of flue gas from Unit 8's stack and transport it through a conditioned sample line to an analyzing station on the operating floor of the Power Plant.

Installing a mercury CEMS for Unit 8 is estimated to require \$400,000 in funding. This is composed of the following components.

<u>Equipment</u>	<u>Estimated Cost</u>
1. Mercury CEMS	\$ 240,000
2. Installation	40,000
3. Equipment Enclosure	25,000
4. Data Acquisition Software	30,000
5. Certification Testing	15,000
6. Spare Parts and Taxes	<u>50,000</u>
Estimated Total	\$ 400,000

The 2008/09 Capital Improvements Plan includes \$500,000 for this project.

On May 6, 2008, competitive sealed proposals were received from two firms. The Electric Services staff has reviewed the proposals, made site visits, and checked references. Even though the equipment proposed by Thermo Environmental

Instruments, Inc., Franklin, MA is not the lowest bid, staff has determined that it best meets the needs of the Power Plant.

In addition to the equipment, there is an option with this bid for installation and start-up of the analyzer which staff recommends accepting. This cost is included in the bid shown below.

ALTERNATIVES:

1. Award a contract for the Electric Services Department mercury continuous emissions monitor to Thermo Environmental Instruments, Inc., Franklin, MA, in the amount of \$235,541.00 plus applicable taxes.
2. Do not award a contract at this time.

MANAGER'S RECOMMENDED ACTION:

This equipment is necessary for the Utility to accurately monitor the amount of mercury produced by Unit #8. Staff feels that it is prudent to begin to measure this material as soon as possible. Although the cap and trade portions of the Clean Air Mercury Rule (CAMR) have been struck down by the U.S. Court of Appeals for the District of Columbia Circuit, staff anticipates that the requirement for the monitoring of mercury in the stack gases for Unit #8 will remain in effect. Staff feels that these are very good bids and that this is a good time to move forward with this project.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, awarding a contract for the Electric Services mercury continuous emissions monitor to Thermo Environmental Instruments, Inc., Franklin, MA, in the amount of \$235,541.00 plus applicable taxes.



**INVITATION TO BID NO. 2008-194
POWER PLANT MERCURY CONTINUOUS EMISSIONS MONITOR**

Company Name of Bidder	Thermo Environmental Instruments, Inc. Franklin, MA	Tekran Instruments Corp. Knoxville, TN		
Mercury Analyzer	\$198,391.00	\$128,214.00		
Taxes	\$0.00	\$0.00		
Freight	\$3,000.00	\$1,000.00		
Sub-total	\$201,391.00	\$129,214.00		
Optional Installation Service	\$27,600.00	\$40,000.00		
RATA Certification	\$6,550.00			
Product Delivery	12-14 wks	12-14 weeks		
Project Completion	20 weeks			
Total Cost w/installation	\$235,541.00	\$169,214.00		
Exceptions & Clarifications	Yes	Yes		
Affirmative Action	Approved, 5/7/08	None		
Subcontractors	Baker Electric, Des Moines	Yes		
Site Visit	10-Mar-08	None		