

**COUNCIL ACTION FORM**

**SUBJECT: EMISSIONS TESTING FOR STEAM ELECTRIC PLANT AND  
COMBUSTION TURBINE PEAKING UNIT**

**BACKGROUND:**

This contract is for emissions testing services at the City's Power Plant. All emissions tests covered under this contract are mandated by the Iowa Department of Natural Resources (Iowa DNR) and the U.S. Environmental Protection Agency. The results are used to prove that the operated units are within compliance of regulated operating standards and to calculate the amount of money owed per annual amount of air pollutant set by the Iowa DNR. The basic scope of work for each test calls for the testing service to prepare test protocols, mobilize/demobilize their test equipment and test team, perform testing, and deliver test reports in a form acceptable to state and federal regulatory agencies.

The three emissions tests are as follows:

- 1) Relative Accuracy Test Audit (RATA) for both Unit's 7 and 8 coal-fired boilers at the Power Plant.
- 2) Mercury Stack Testing for both Unit's 7 and 8 coal-fired boilers at the Power Plant.
- 3) Combustion Turbine Formaldehyde Testing for GT2 at the Power Plant.

Council should note that this contract is to provide the aforementioned services before September 30<sup>th</sup> of the current year in order to comply with restrictions to perform testing by the end of the third quarter. The proposed contract also includes a provision that would allow the City to renew the contract for up to two additional one-year terms.

On June 14, 2012, the request for proposal (RFP) document was issued to thirty-three firms for the solicitation of proposals. The RFP was advertised on the Current Bid Opportunities section of the Purchasing webpage and was also sent to one plan room. On July 9, 2012, staff received competitive proposals from eleven firms. These proposals were then evaluated by a committee consisting of the Power Plant Operations Superintendent, a Power Plant Engineer, the Environmental Instrument & Control Technician, and a Power Plant Electrician.

The committee members independently evaluated and scored all eleven of the proposals. Each proposal was evaluated based on: 1) references; 2) stack testing knowledge & experience (including knowledge and experience with the test methods necessary to perform the required testing); 3) form of report (based on samples

provided with proposal); 4) knowledge & experience of the assigned field crew; and 5) price.

Based on the matrix, the averaged scores are as follows:

Offerors	Averaged Scores	Not-to-Exceed Amount
Air Hygiene, Broken Arrow, OK	899	\$45,000.00
Platt Environmental Services, Oak Brook, IL	840	\$34,149.00
Airtech Environmental Services, Inc., Denver, CO	812	\$31,100.00
Grace Consulting, Inc, Brownsburg, IN	803	\$37,758.00
Environmental Source Samplers, Inc., Wilmington, NC	770	\$44,303.00
METCO Environmental, Addison, TX	730	\$66,975.00
GE International, Inc., Burr Ridge, IL	719	\$66,100.00
Environmental Energy Services, Inc., Sandy Hook, CT	684	\$60,800.00
Shaw Environmental & Infrastructure, Cincinnati, OH	664	\$28,700.00
Clean Air Engineering, Palatine, IL	581	Unable to Determine
Comprehensive Emission Services, Waukee, IA	429	\$38,000.00

Overall, 1,000 possible points were available cumulatively for each firm’s written proposal. The overall weighted score was a function of the aforementioned evaluation factors.

**Based on the averaged weighted scores and a unanimous decision by the evaluation committee, staff recommends that a contract be awarded to Air Hygiene, Broken Arrow, OK, in the not-to-exceed amount of \$45,000. Payments will be calculated based on the proposed unit prices for actual work performed.**

There were very specific reasons why Air Hygiene stood out as the strongest firm to conduct this study for the City of Ames, even though their proposal was not the lowest price. These include the following:

1. Air Hygiene has extensive knowledge and experience. They are strictly an air emissions testing facility that has performed testing on over 500 power plants. They are very experienced with the City of Ames’ required test methods. They are equipped with mobile laboratories consisting of all equipment needed to perform all lab tests on site, removing the need to send samples elsewhere to be analyzed and providing the possibility for error.

2. Air Hygiene performed testing at the Power Plant in 2011 and staff was very pleased with their professionalism, their quality and accuracy of testing and reporting, and their attention to detail in order to provide the most accurate results.
3. Their reports are very detailed, showing all aspects of the testing performed such as equipment set up, all measurements taken, calculations, test methods used; and the format is easy to read and follow.
4. Air Hygiene's corporate headquarters includes a training facility to ensure their crews are fully qualified before performing any testing for clients. The testing personnel are rigorously trained on EPA reference test methods and must complete a "Demonstration of capability" test per Air Hygiene's Quality Assurance Manual and standard operating procedures. All testing teams are lead by an individual who has passed the Qualified Source Testing Individual (QSTI) program given by the Source Evaluation Society.
5. Their experience, state of the art equipment, and testing crew's knowledge assure accurate and reliable test results.

The FY 2012/13 operating budget contains \$39,000 for stack testing. The remaining \$6,000 will be transferred from the Boiler #8 Environmental Engineering Services account.

**ALTERNATIVES:**

1. Award a contract to Air Hygiene, Broken Arrow, OK, for the FY 2012-13 Emissions Testing for the Steam Electric Plant & the Combustion Turbine generator in the not-to-exceed amount of \$45,000. The contract includes a provision that would allow the City to renew the contract for up to two additional one-year terms at stated rates.
2. Award a contract for emissions testing to one of the other companies who submitted a proposal for these services.
3. Reject all proposals and delay the emission testing, putting pressure on the Power Plant's ability to perform required testing before September 30.

**MANAGER'S RECOMMENDED ACTION:**

The State of Iowa Administrative code required this testing to be performed on our operating boilers and gas turbine. Staff believes that Air Hygiene provides the best combination of technical expertise, experience, and on-site services. In addition, our previous experience with this company has been excellent.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.