

COUNCIL ACTION FORM

SUBJECT: ACCEPTANCE OF COMPLETION FOR POWER PLANT MERCURY CONTINUOUS EMISSIONS MONITOR

BACKGROUND

This contract was for the purchase of a mercury continuous emissions monitor. The City installed a continuous emission monitoring system (CEMS) to measure gaseous forms of mercury (elemental and oxidized) in the stack gases for Unit 8 Boiler in accordance with the USEPA Clean Air Mercury Rule (CAMR).

On May 6, 2008, competitive sealed proposals were received and evaluated by Electric Services staff, who determined that the proposal submitted by Thermo Environmental Instruments, Inc., best meets the needs of the Power Plant. The amount of the contract as awarded on August 12, 2008, was \$235,541 plus applicable taxes. **Council should note the total amount including applicable taxes was \$251,818.87.**

This project was initiated due to the requirements of the Clean Air Mercury Rule (CAMR) issued on March 15, 2005 by the EPA which required power plants to monitor and report Mercury emissions starting in 2009. In February 2008 the CAMR rule was vacated by the U.S. Court of Appeals for the DC Circuit. This vacature was upheld through a series of denied appeals to the higher courts. The courts required the EPA to rewrite emissions rules for power plants for Mercury. Final certification of the already installed Mercury CEMs was delayed until the requirements of the new EPA Mercury regulations were known.

Meanwhile, the State of Iowa promulgated rules that required Mercury monitoring and reporting starting in 2010. Compliance with the State of Iowa rules was demonstrated with periodic stack testing rather than using the non-certified Mercury CEMs on Unit 8.

The CAMR replacement rule called the Mercury and Air Toxics Standard (MATS) was announced in 2011, signed into the Federal Register in 2012, and takes effect in 2015. The final technology selection for the MATS rule mercury emissions monitoring requirements is unknown at this time. At this time staff intends to retain the Mercury CEMs equipment installed by Thermo Environmental Instruments but not certify it for operation until a later date if the current technology for Mercury CEMs is utilized for compliance with the MATS rule.

There was one change order to this contract for a deduction in the amount of (-\$18,264.39). This deduction consisted of 1) RATA Certification requirement was removed; and 2) dollar amount of contract was adjusted to reflect total invoice amounts as agreed upon between City staff and contractor. **The final contract amount with this change order is \$233,554.48.**

All of the requirements of the contract have been met by Thermo Environmental Instruments, Inc., and the Power Plant Engineer has provided a certificate of completion.

ALTERNATIVES:

- 1) Accept completion of the contract for the Power Plant Mercury Continuous Monitor.
- 2) Delay acceptance of this project.

MANAGER'S RECOMMENDED ACTION:

The contractor for the Power Plant Mercury Continuous Monitor has completed the requirements of the contract. The Power Plant Engineer has issued a certificate of completion on the work. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.