

COUNCIL ACTION FORM

SUBJECT: **POWER PLANT EMISSIONS TESTING CONTRACT RENEWAL**

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 payment 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 the state and federal regulatory agencies.

The three emissions tests are as follows:

- 1) Relative Accuracy Test Audit (RATA) for Units 7 and 8 coal-fired boilers.
- 2) Mercury Stack Testing for Units 7 and 8 coal-fired boilers.
- 3) Combustion Turbine Formaldehyde Testing for Gas Turbine 2.

On August 14, 2012, City Council awarded 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 a not-to-exceed amount of \$45,000. Included in the original contract were terms for up to two additional one-year terms at stated rates. This is the second renewal out of two maximum.

The FY 2014/15 operating budget contains \$101,000 for stack testing. However, work anticipated to be done by Air Hygiene next year should cost no more than \$55,000.

ALTERNATIVES:

1. Approve the contract renewal with Air Hygiene, Broken Arrow, OK for the Emissions Testing for the Steam Electric Plant & the Combustion Turbine generator contract for the one-year period from July 1, 2014, through June 30, 2015. Work will be scheduled on an as needed basis and payments will be based on unit prices proposed and actual work performed. Total work in FY 2014/15 shall be in an amount not-to-exceed \$55,000.

2. Do not renew the agreement and instruct staff to seek new competitive proposals.

MANAGER'S RECOMMENDED ACTION:

The State of Iowa Administrative code requires this testing to be performed on our operating boilers and gas turbine. Over the past year, Air Hygiene has provided excellent technical expertise, experience, and on-site services. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.