

COUNCIL ACTION FORM

SUBJECT: **GEOTUBE BAGS FOR POWER PLANT ASH POND**

BACKGROUND:

In an effort comply with EPA Coal Combustion Residue regulation, the Power Plant has elected to inactivate its ash pond, which normally stores its boiler bottom ash. Electric Services has discontinued sending bottom ash to the ash pond to meet the EPA standard and, as an alternative, collect it in geotube filter bags for disposal at the landfill. By discontinuing the use of the Ash Pond, the City will be exempt from future ash pond maintenance and environmental monitoring requirements regulated by the guideline.

Staff tested bags from three different manufacturers. During the test runs it was determined that the bags from Geo-Synthetics LLC were the only geotube bags that met the outflow and pressure demands. They are also the only bags that have not failed during testing. As a result, staff has determined that these bags need to be single sourced.

Staff is requesting that the City Council waive the City's purchasing policies requiring competitive bids, and award this contract to Geo-Synthetics LLC, Waukesha, WI, in the amount of \$193,803.75 (inclusive of Iowa sales tax). This will be for the purchase of an estimated amount of 525 bags priced at \$345.00 each.

Funding is available from the approved FY2015/16 Electric Production operating budget from the Unit #8 & #7 NOx Allowances line items which currently contain \$650,000. Staff is managing the coal burn/NOx production such that only a minimal amount of allowances will be needed to meet our requirements.

ALTERNATIVES:

1. Waive the purchasing policy requirement for competitive bidding for the Geotube Bags for Power Plant Ash Pond and award a contract to Geo-Synthetics LLC, Waukesha, WI, in the amount of \$193,803.75 (inclusive of Iowa sales tax).
2. Award a contract to one of the other two companies who sell geotube bags that were recently tested.
3. Do not purchase bags at this time.

MANAGER'S RECOMMENDED ACTION:

Purchase of these geotube bags is critical for the Power Plant Ash Pond because filter bags are required to capture coal bottom ash from the power plant boilers. This is to ensure compliance with the EPA Coal Combustion Residue mandate. Additionally, through testing, it was determined that the bags from only one company successfully managed the coal ash load and flow rates produced by the plant without failure. Failure of the bags, or low availability of the bags could halt plant power production. Once the plant conversion to natural gas is completed, the amount of bags needed to operate the plant will be greatly reduced.

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