

COUNCIL ACTION FORM

**SUBJECT: CONTINUOUS EMISSIONS MONITORING SYSTEM (CEMS)
REPLACEMENT**

BACKGROUND:

On March 27, 2018, City Council approved preliminary plans and specifications for the Continuous Emissions Monitoring System Replacement. This project is for replacement of the Continuous Emissions Monitoring System (CEMS) and the Continuous Opacity Monitoring System (COMS) used on Units #7 and #8 boilers. Both systems provide continuous relative data for specific emissions required by the State issued operating permit. The current systems are outdated and it is becoming very difficult to find spare parts and maintain reliability as more and more parts become obsolete. A complete system change-out is needed.

Bid documents were issued to twenty-nine companies and three plan rooms. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published on the websites of a contractor plan room service with statewide circulation and the Iowa League of Cities.

On May 3, 2018, six bids were received as shown on the attached report.

Staff has evaluated the bids and while the two lowest bidders, C.E.M. Solutions and STI CEMS Services are both well qualified bidders, staff is concerned about awarding a contract to the lowest bidder, C.E.M. Solutions, because of the proposed project schedule included in their bid. The bid specification requires completion of all successful certification tests by December 15, 2018 and C.E.M. Solutions proposes to be testing beyond this date. Completing the job before the end of the year is very important for the City of Ames. At the beginning of 2019 the Power Plant will no longer have service support to ensure correct submission of required emission records to the State. This is a risk that Electric Service would like to minimize. The vendor's proposed schedule is nearly twice as long and the second low bidder. Any unforeseen delays will extend the project in to 2019. Due to this issue, staff has concluded that it would be in the City's best interest to not award the contract to this company.

STI CEMS Services has a favorable proposed schedule that allows for unforeseen delays and still complete the project before December 15, 2018. This bid is roughly \$19,000 higher than the apparent low bidder and contains a schedule half as long as the low bidder. This provides a significant reduction in risk concerns in meeting the December 15 completion date. **City staff has concluded that awarding this contract to the second apparent low bidder STI CEMS Services, LLC, Waldron, AR, in the**

amount of \$448,135.30 is in the best interest of the City. This vendor is not licensed to collect taxes for the State of Iowa. The City of Ames will pay applicable sales tax directly to the State of Iowa.

The Engineer's estimate of the cost of this project is \$560,000. The 2018/19 Capital Improvements Plan includes \$460,000 for the materials and installation for the Continuous Emissions Monitoring System Replacement.

ALTERNATIVES:

1. Award a contract to STI CEMS Services, LLC, Waldron, AR, for the Continuous Emissions Monitoring System Replacement in the amount of \$448,135.30 plus applicable sales taxes to be paid directly by the City of Ames to the State of Iowa.
2. Award the contract for the Continuous Emissions Monitoring System Replacement to one of the other bidders.
3. Reject all bids and delay this project.

CITY MANAGER'S RECOMMENDED ACTION:

This project will allow the Power Plant to replace the current CEMS and COMS. It is crucial to perform this work in a timely fashion in order to maintain compliance with the Steam Electric Plant's operating permit and maintain reliability.

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



ITB 2018-124 CONTINUOUS EMISSIONS MONITORING SYSTEM REPLACEMENT BID SUMMARY

BIDDER:	C.E.M. Solutions, Inc Hernando, FL	STI CEMS Services, LLC Waldron, AR	Cemtek KVB-Enertec Santa Ana, CA	Teledyne Monitor Labs Englewood, CO	SBSMSILLC Dba MSI/Mechanical Systems Sun Prairie, WI	AC Systems Integration, Inc Tulsa, OK
BASE:						
Replace the current continuous emissions monitoring system (CEMS) as specified.	\$423,535.00	\$456,135.30	\$461,679.00	\$479,050.00	\$523,600.00	\$689,005.00
Sales and/or Use taxes included in LS Cost	Not licensed	Not licensed	Not licensed	Not licensed	\$29,634.00	Not licensed
OPTIONS:						
Sales and/or Use taxes included in Cost	No bid	Not licensed	Not licensed	Not licensed	No bid	Not licensed
HVAC adder for pressurization and air exchanges				\$20,700.00		
Credit for acceptance of the 'gently used' thermo mercury freedom system	No bid	-\$8,000.00	To be Determined	No bid	No bid	No bid
Unit price the sample line umbilical	\$42.56	\$46.00	\$51.00	\$45.00	\$19.00	\$31.00
Length of sample line umbilical included in base bid (in feet)	100	230	230	130	240	200
Adder or Deduct to provide 230' of sample line (required length per bid specification)	\$5,532.80	\$0.00	\$0.00	\$4,500.00	-\$190.00	\$930.00
Evaluated Total:	\$429,067.80	\$448,135.30	\$461,679.00	\$504,250.00	\$523,410.00	\$689,935.00