

COUNCIL ACTION FORM

SUBJECT: EMISSIONS TESTING SERVICES CONTRACT FOR POWER PLANT

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 (EPA). The tests are performed annually, and results are submitted to the Iowa DNR and EPA for regulatory compliance. The basic scope of work for each test calls for the testing service to prepare test protocols, mobilize/demobilize test equipment and test team, perform the required tests, and deliver test reports in a form acceptable to state and federal regulatory agencies.

On July 9, 2019, City Council awarded the contract to C.E.M. Solutions, Inc., Hernando, Florida, to provide these services from July 1, 2019 through June 30, 2020. **The contract allows renewal for up to two additional one-year terms. The proposed renewal contract would be the first of the two optional terms.**

The proposal from C.E.M. Solutions, Inc. included rates for equipment and labor rates that will be held firm through June of 2021. The four tests required for this contract period will cost \$28,275 plus additional services can be performed, if required, after the contractor is on-site. **There is no change in pricing for this contract renewal period.**

The benefits of having a contract for these services in place include the following:

- 1) Consistency of work and quality from a single contractor.
- 2) Reduction in the City's exposure to market forces regarding prices and availability for labor, travel, and supplies in preparation for a scheduled outage.
- 3) Rapid contractor mobilization to start emergency repairs, thus reducing generation downtime.
- 4) Saved City staff time obtaining quotes, evaluating bids and preparing specifications and other procurement documentation.

The approved FY2020/2021 Power Plant operating budget includes \$33,000 for services to be performed under this contract. Invoices will be based on contract rates for time and materials for services actually received.

ALTERNATIVES:

1. Approve renewal of the emissions testing services contract with C.E.M. Solutions, Inc., Hernando Florida, for the fiscal year beginning July 1, 2020 – June 30, 2021

in an amount not to exceed \$33,000.

2. Reject the renewal option and purchase emissions testing services on an as-needed basis.

CITY MANAGER'S RECOMMENDED ACTION:

State and federal regulations require this testing to be performed on the Power Plant's operating boilers and GT2 gas turbine. C.E.M. Solutions, Inc. of Hernando, Florida has provided a great combination of technical expertise, experience, and on-site services to perform these services.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, as stated above.