

**COUNCIL ACTION FORM**

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

**BACKGROUND:**

This contract is for emissions testing services at the 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 a 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 a contract to C.E.M. Solutions, Inc., of Hernando, Florida, for the Emissions Testing Services for the Power Plant. This contract included the option for the City to renew in one-year increments for up to four additional years. **The period from July 1, 2021 through June 30, 2022, is the second of the four-renewal periods subject to Council approval of funding for the emissions testing services.**

The proposal from C.E.M. Solutions, Inc. included rates for equipment and labor that will be held firm through June 30, 2022. There is no change in pricing for this renewal period. The four tests required for this contract period will cost \$28,275. In addition, further testing services can be performed, if required, after the contractor is on-site.

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) Save City staff time obtaining quotes, evaluating bids and preparing specifications and other procurement documentation.

The approved FY 2021/22 Power Plant operating budget includes \$32,000 for services to be performed under this contract. Invoices will be based on contract rates for time and materials for services actually received. **Since the contract has been approved by the City Council in the past, future contract renewals, no matter the amount, must also be approved by City Council.**

**ALTERNATIVES:**

1. Approve contract renewal with C.E.M. Solutions, Inc., Hernando, Florida, in an amount not to exceed \$32,000, for the Emissions Testing Services Contact for Power Plant for the one-year period from July 1, 2021 through June 30, 2022.
2. Reject the renewal option and instruct staff to seek new competitive bids.

**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.