

COUNCIL ACTION FORM

**SUBJECT: GEOTUBE BAGS FOR POWER PLANT ASH POND – CHANGE
ORDER NO. 4**

BACKGROUND:

In an effort comply with EPA Coal Combustion Residue (CCR) regulations published in the Federal Register, the Power Plant inactivated its ash pond which formerly stored boiler bottom ash. As an alternative to sending ash to the pond to be stored, boiler bottom ash is now being collected in geotube filter bags for disposal at the landfill. By discontinuing the use of the Ash Pond, staff understood that the City would be exempt from future ash pond maintenance and environmental monitoring requirements imposed by the new regulations.

Since that time, the EPA has proposed changes to the CCR regulation that would add additional responsibilities to the owners of existing ash ponds. That proposal is currently being reviewed by the federal District Court in Washington, DC. That proposal would allow the re-use of the City's ash pond for ash, including refuse derived fuel (RDF) ash. If these changes are approved by the Court and adopted by the EPA, the City would be able to re-use part of the ash pond for RDF ash disposal, and the ongoing purchase of geotube bags would no longer be necessary.

On November 10, 2015, the City Council waived the purchasing policy requirement for competitive bidding for these bags and awarded a contract to Geo-Synthetics LLC, Waukesha, WI, in the amount of \$193,803.75 (inclusive of Iowa sales tax). This was for the purchase of 525 bags priced at \$345 each.

Since that time three change orders have been issued to acquire additional bags. Seven hundred more bags are now needed to continue ash disposal operations for up to an additional six months while the City awaits EPA confirmation on a decision regarding the future use of the ash ponds and staff determines the next course of action.

The following three change orders have previously been issued for this purchase:

- Change Order No. 1 for \$38,015 was for the purchase of up to an additional 100 bags.
- Change Order No. 2 for \$113,595 was for the purchase of up to an additional 300 bags.
- Change Order No. 3 for \$22,799 was for the purchase of up to an additional 60 bags.

The total cost of all previous change orders was \$174,409. The action being requested now is to approve Change Order #4, which will add an additional \$264,880 to this contract for up to 700 additional bags, bringing the total contract amount to \$633,092.75.

Electric Services had a savings in the Power Plant's FY 15/16 operational budget that can be carried forward into the FY 16/17 budget to cover the added expense for these bags.

ALTERNATIVES:

1. Approve Change Order No. 4 to Geo-Synthetics LLC, Waukesha, WI, in the amount of \$264,880 (inclusive of Iowa sales tax) for the purchase of up to an additional 700 geotube bags for Power Plant Ash Pond. This will bring the total contract amount to an amount not-to-exceed \$633,092.75.
2. Reject Change Order No. 4. This option will prevent the City from burning RDF until a suitable alternative for handling the ash is found.

MANAGER'S RECOMMENDED ACTION:

Purchase of additional geotube bags is critical since they are used to capture bottom ash from the Power Plant boilers. This fourth change order should provide enough bags until a final ruling is received from the EPA and the court.

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