

**COUNCIL ACTION FORM**

**SUBJECT: ENGINEERING AND RELATED CONSULTING SERVICES NECESSARY TO COMPLY WITH U.S. EPA'S COAL COMBUSTION RESIDUALS (CCR) STANDARD - CHANGE ORDER No. 9**

**BACKGROUND:**

On April 17, 2015, a Final Rule entitled "Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals From Electric Utilities" was published in the *Federal Register*, which regulated the disposal of ash in surface impoundments and landfills resulting from the burning of coal in electric utility boilers.

In response to this emphasis by the U.S. EPA on coal ash sites, Ames Electric Services began looking for a consulting firm that specializes in coal ash site activities, with deep understanding of the regulations governing coal ash sites, especially the CCR rule.

In 2017, the City needed to comply with several near-term requirements of the CCR rule adopted by the EPA. For this scope of work, the City issued a request for proposals (RFP) that resulted in the City receiving nine (9) proposals ranging in price from \$30,710 to \$124,350, with an average price of \$76,555.33.

SCS Engineers of Clive, Iowa, was selected as the preferred engineering consultant from the nine proposals for this initial project based upon the combination of technical expertise and price (SCS's proposal was the lowest priced). On December 19, 2017, SCS Engineers was issued a Purchase Order to complete nine (9) studies/reports required to comply (by April 17, 2018) with the CCR rule. This initial scope of work included:

- 1) documenting the liner type
- 2) compiling the history of construction of the site
- 3) classifying the initial hazard potential
- 4) assessing the initial structural stability
- 5) assessing the initial safety factor
- 6) preparing the initial inflow design flood control system plan
- 7) preparing the initial written closure plan
- 8) preparing the initial written post-closure plan
- 9) preparing an emergency action plan (compliance date of October 16, 2018)

**It must be emphasized that the working relationship between Electric Services and the consulting firm for this work is not like most contractual relationships, with a defined scope with clear start and end points. The CCR rule has many milestones to comply with stretching out over many years. Further, the rules keep changing due to court challenges and actions.**

## **CHANGE ORDER HISTORY:**

Change Order No. 1, in the amount of \$4,415 was to satisfy the CCR rule's requirement for a qualified professional engineer to perform an annual inspection (with a report) of the ash site.

Change Order No. 2, in the amount of \$122,780 was to satisfy the requirements of the CCR rule to install a groundwater well system around the ash site and to subsequently monitor the site by sampling and analyzing water from the wells in accordance with the CCR rule.

Change Order No. 3, in the amount of \$10,280 for 2018-19 was to update the Fugitive Dust Control Plan, conduct a site visit and prepare the Annual CCR Fugitive Dust Control Report, conduct a site visit and prepare the Annual Inspection Report by a qualified professional engineer,

Change Order No. 4, in the amount of \$39,880 was to provide the City of Ames with feasible alternatives to transition the ash site in its current arrangement into a site that is useful for the future and in compliance with U.S. EPA's CCR rule.

Change Order No. 5, in an estimated amount of \$196,180 was to provide design and engineering services along with permit acquisition and bidding support necessary to comply with U.S. EPA's Coal Combustion Residuals (CCR) rule by closing-in-place a portion of the City's Steam Electric Plant's ash impoundment, and by reconstructing the remainder of the impoundment to support the power plant's future ash handling needs.

Change Order No. 6, in an estimated amount of \$57,025 for 2019-20 was to sample the groundwater monitoring wells and prepare the Annual Groundwater and Corrective Action Report, conduct a site visit and prepare the Annual CCR Fugitive Dust Control Report, conduct a site visit and prepare the Annual Inspection Report by a qualified professional engineer, and prepare a report that assesses the site regarding five (5) location restrictions.

Change Order No. 7 in an estimated amount of \$41,585 for 2020-21 was to sample the groundwater monitoring wells and prepare the Annual Groundwater and Corrective Action Report, conduct a site visit and prepare the Annual CCR Fugitive Dust Control Report, conduct a site visit and prepare the Annual Inspection Report by a qualified professional engineer, and provide a fund for additional engineering and related services.

Change Order No. 8, in an estimated amount of \$53,585 for 2021-22 was to sample the groundwater monitoring wells and prepare the Annual Groundwater and Corrective Action Report, conduct a site visit and prepare the Annual CCR Fugitive Dust Control Report, conduct a site visit and prepare the Annual Inspection Report by a qualified professional engineer, and provide a fund for additional engineering and related services.

**THIS ACTION:**

**This change order, Change Order No. 9, for an estimated price of \$63,720 to SCS Engineers of Clive, Iowa, is for consulting engineering services necessary to comply with the U.S. EPA's CCR regulation's annual requirements for 2022-23, plus several periodic requirements every five years, which are due in the 2022-23 timeframe. The scope of work of this change order is listed and briefly described below:**

- 1) Perform semi-annual groundwater sampling of the ash impoundment's monitoring wells (2 events),
  - a. Laboratory testing of groundwater samples
  - b. Perform additional groundwater sampling if needed and as required by code (the change order assumes 4 additional sampling events),
- 2) Prepare the required Annual Groundwater Monitoring and Corrective Action Report,
- 3) Annual licensing fee for the software used to perform the required statistical analysis of the groundwater monitoring results.
- 4) Prepare the required Annual CCR Fugitive Dust Control Report,
- 5) Prepare the required Annual Inspection Report by a Qualified Professional Engineer
  - a. Inspection of the site by the Qualified Professional Engineer
  - b. Prepare the Inspection Report
- 6) Perform the periodic update of the Hazard Potential Classification Assessment (required every five (5) years)
- 7) If the Hazard Potential Classification Assessment results in a high hazard potential classification of the site, an Emergency Action Plan will have to be developed.
- 8) Perform the periodic update of the Structural Stability Assessment (required every five (5) years)
- 9) Perform the periodic update of the Safety Factor Assessment (required every five (5) years)

- 10) Perform the periodic update of the Inflow Design Flood Control System Plan (required every five (5) years)
- 11) An allowance for additional engineering and related services. (At this time, such additional services are unknown and uncommitted.)

The Ash Pond Modification Project budget in the CIP has an available balance of \$5,774,162.

**It appears that Electric Services will continue to need an engineering firm to assist with the compliance requirements associated with the coal ash site into the foreseeable future. However, staff recognizes that it is not sustainable to continue managing these services through change orders. Therefore, staff expects that this proposed change order will be the final change order to this contract. In the coming months, staff will develop an RFP to obtain CCR compliance engineering services on an annual basis, similar to the manner in which other Power Plant contracts are structured.**

**ALTERNATIVES:**

1. Approve Change Order No. 9 in the amount of \$63,720 to SCS Engineers of Clive, Iowa, to provide engineering and related services necessary to comply with U.S. EPA's CCR regulation's annual and periodic five-year requirements pertaining to the City of Ames Steam Electric Plant's ash site.
2. Reject the proposal and solicit equivalent engineering services from another engineering firm.

**CITY MANAGER'S RECOMMENDED ACTION:**

This scope of work is necessary for the City of Ames Steam Electric Plant to continue to function and be in compliance with U.S. EPA's CCR rule. Staff expects this to be the final change order this this contract. In the future, these services will be bid and awarded on an annual basis with the potential for predictable renewals.

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