

ITEM #: 2
DATE: 05-23-24
DEPT: ELEC

COUNCIL ACTION FORM

SUBJECT: CONSTRUCTION SERVICES FOR COMPLIANCE WITH THE U.S. EPA COAL COMBUSTION RESIDUALS (CCR) STANDARD; - ENGINEERING SERVICES CONTRACT AND CHANGE ORDER NO. 4

BACKGROUND:

On April 17, 2015, a Final Rule entitled “Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals (CCR) 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 the rules by the U.S. EPA on coal ash sites, Electric Services began looking for a consulting firm that specialized in coal ash site activities, with deep understanding of the state and federal regulations governing coal ash sites, especially U.S. EPA’s CCR rule. The consulting firm would help the City comply with several near-term reporting requirements.

SCS Engineers of Clive, Iowa, was selected as the engineering consultant from an RFP process for this initial project based upon the combination of technical expertise and price. **On December 19, 2017, SCS Engineers was issued a Purchase Order to complete nine (9) studies/reports required by April 17, 2018 to comply with the CCR rule. In addition, SCS Engineers conducted the required annual inspections of the City's CCR site.**

Additional compliance with the CCR rule requires a major reconfiguration of the existing ash site to be completed by April 2026, in which all coal ash will be placed on approximately one-half of the site and that will become a closed-in-place landfill. Initially, SCS Engineers started design of the ash pond reconfiguration under the same purchase order as the studies and annual reporting tasks.

CURRENT CONTRACT

On October 25, 2022, City Council awarded a new purchase order to SCS Engineers, Clive, IA, in the amount of \$135,000 to complete the design and to produce plans and specifications necessary for bidding, permitting, cost estimating, and related services necessary to modify and reconfigure the ash site to comply with the provisions of U.S. EPA’s coal combustion residuals (CCR) rule. It was decided to issue a new purchase order to separate out the design and construction services from the annual compliance inspection services. This purchase order also included evaluating ash collection system locations.

Change Order No. 1 in the amount of \$12,523.06 was approved by staff to finalize plans and specifications after determining that the current ash collection system was the most practical option.

Change Order No. 2 in the amount of \$2,965.00 was approved by staff to modify the bid documents to provide bid alternates as requested by staff. Because of the uncertainty of waste to energy, staff requested the construction of a new RDF pond be listed on the bid documents as an alternate add item. Bidding the project in this manner gave staff the most flexibility in moving forward with the project.

The project was successfully bid and after review of contractor qualifications, a construction contract was awarded. EPA and IDNR CCR regulations require a professional engineer to certify the construction was built according to approved design (bid documents). The professional engineer must be familiar with the construction of CCR landfills and the specific project details. **It was staff's intent to work with SCS Engineers. However, SCS was unable to prepare a construction scope of services until a project schedule was provided by the contractor. The construction schedule has been provided and SCS has submitted a proposal to provide services as the owner's engineer, observe and document construction, and provide the licensed engineer certifications to fulfill the regulatory requirements.** Staff also developed a construction services contract (approved by the City Attorney and Risk Manager) that SCS Engineers agreed to add to the current professional services agreement. The construction services contract better defines obligations and responsibilities for each party involved.

Change Order No. 3 in the amount of \$11,500 was approved by City Manager's staff for SCS Engineers to complete limited construction administration tasks until the additional construction services contract was complete and a change order for SCS to perform all construction services could be approved.

THIS ACTION:

Staff requests approval of Change Order No. 4 in the amount of \$431,500. Through this change order, SCS Engineers will provide construction observation service, construction documentation, prepare the necessary CCR construction compliance reports for Iowa DNR and EPA, and perform other construction related services. SCS Engineers has also agreed to liability and indemnification language in this change order, which will apply to this change order and retroactively to the work SCS previously completed in the original contract and change orders 1-3.

The engineering services expenses are indicated in the table below:

Original Contract	\$ 135,000.00
Change Order #1	12,523.06
Change Order #2	2,965.00
Change Order #3	11,500.00
Change Order #4 (this action)	431,500.00
TOTAL Engineering Services	\$ 593,488.06

The construction contract is in the amount of \$2,606,093.15. The total of design and construction costs are \$3,199,581.21. The total Ash Pond Modification Project budget is \$6,957,484.

ALTERNATIVES:

1. Approve Engineering Services Contract and Change Order No. 4 in the amount of \$431,500 to SCS Engineers of Clive, Iowa, to provide additional consulting services to complete the construction, compliance documentation, construction certification, and related services necessary to modify and reconfigure the ash site to comply with the provisions of U.S. EPA's coal combustion residuals (CCR) rule.
2. Do not approve the contract with SCS Engineers and direct the development and issuance of a Request For Proposal for this work.

CITY MANAGER'S RECOMMENDED ACTION:

This scope of work is necessary for the Power Plant to continue to function and comply with U.S. EPA's CCR rule. Following a Request for Proposal route will cause a delay in the project and potentially result in complications if the Owner's Engineer is different than the firm that designed the project. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.