

ITEM #: 20
 DATE: 05-28-24
 DEPT: ELEC

COUNCIL ACTION FORM

SUBJECT: CELL MAINTENANCE SERVICES FOR ELECTRIC SERVICES - CONTRACT RENEWAL

BACKGROUND:

The Power Plant has an ash pond that serves as a settling pond where Refuse Derived Fuel sluiced ash (“RDF ash”) falls to the bottom and relatively clean water can be recycled to the Power Plant to transport additional ash from the bottom of the boilers. The ash pond also contains ash generated from the combustion of coal prior to the power plant’s conversion to natural gas (“coal ash”).

The RDF ash is composed of inorganic materials in the fuel that do not burn and must be removed from the boilers to allow continual operation. Over time the RDF ash builds up on the bottom of the pond and reduces the available capacity of the pond. **This ash must be regularly removed and piled, via excavating or dredging, to a location at the pond site that will allow for it to dry and later be hauled to a landfill.**

As of October 2016, the usable area of the ash pond has been drastically reduced because of restrictions imposed by the EPA through the Disposal of Coal Combustion Residuals from Electric Utilities rule. The portion of the ash pond that contains coal ash (a majority of the area) is inactive until the coal ash is removed and landfilled.

The work to remove the coal ash is an approved Capital Improvements Plan project and construction is scheduled to start this summer. Until the coal ash removal project is complete, the usable area of the pond is very limited. **Boone County Landfill (BCL) is the only landfill in the planning area that the City of Ames is in. However, BCL has rejected taking the RDF ash and therefore the Power Plant must take it to Metro East Landfill located in Mitchellville, Iowa.**

On February 28, 2023, City Council awarded a contract to Wulfekuhle Injection & Pumping, Peosta, IA, for Cell Maintenance Services for the Electric Services. This contract included the option for the City to renew in one-year increments for up to four additional years. This is the second renewal out of four possible renewal periods.

TASK	FY23-24 Rates	FY24-25 Rates
Price Per Hour (digging & moving)	\$206.00	\$212.18
\$ amount per ton to haul	\$19.06	\$19.63
Mobilization	\$2,575.00	\$2,652.25

Council should note the rates that will be charged by Wulfekuhle Injection & Pumping will increase 3% compared to the current year.

Staff is recommending that these services continue to be outsourced on an annual renewable contract basis. 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.

Invoices will be based on contract rates for time and materials for services actually received and accepted by the City. The FY 2024/25 operating budget includes \$200,000 for these services.

ALTERNATIVES:

1. Approve the contract renewal with Wulfekuhle Injection & Pumping, Peosta, IA, for Cell Maintenance Services for Electric Services for the one-year period from July 1, 2024 through June 30, 2025 in an amount not-to-exceed \$200,000.
2. Reject the renewal option and instruct staff to seek new competitive bids.

CITY MANAGER'S RECOMMENDED ACTION:

The ash pond is an essential part of the RDF combustion process. Because the pond has a limited working area, the RDF ash must be excavated and removed to allow for the continued combustion of RDF. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.