

**COUNCIL ACTION FORM**

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

**BACKGROUND:**

This contract is for emissions testing services at the City's 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. The results are used to prove that the units operated by the City are within compliance of regulated operating standards and to calculate the amount of money owed per annual amount of air pollutant set by the Iowa DNR. The basic scope of work for each test calls for the testing service to prepare test protocols, mobilize/demobilize test equipment and test team, perform the required tests, and deliver test reports in a form acceptable to state and federal regulatory agencies.

The City currently has an annual renewable contract in place for these services, but the company that held the previous contract struggled to provide timely, final reports. Therefore, Electric Services staff recommended soliciting new proposals rather than renewing the existing contract for FY 2019/20.

On May 2, 2019, a Request for Proposal (RFP) to provide emissions testing services for the period from July 1, 2019 through June 30, 2020, was issued to forty-one companies. The contract includes a provision that would allow the City to renew the contract for up to two additional one-year terms. The RFP was advertised on the Current Bid Opportunities section of the Purchasing webpage, and was also sent to three plan rooms.

On May 29, 2019, staff received proposals from eight companies. Each proposal was evaluated based on: 1) references; 2) stack testing knowledge & experience (including knowledge and experience with the test methods necessary to perform the required testing, ASTM accreditation, and QSTI certification); 3) form of report (based on samples provided with proposal); 4) knowledge & experience of the assigned field crew; and 5) price.

Based on the matrix, the averaged scores are shown below. The evaluation criteria provide a maximum of 1,000 possible points. A portion of the score is determined by price. The price used in the evaluation is for the four basic tests performed sequentially. If necessary to comply with permit requirements or equipment availability, the tests can be performed separately and/or additional services performed if required after the contractor is on-site. In order to have firm pricing for the basic tests regardless of whether they are performed sequentially or separately, six test options were included in the price proposal. In addition, rate schedules were received with proposals to apply to

any additional services performed. Payments would be based on proposal prices and services actually performed by the contractor and approved by the City. The FY 2019/20 operating budget includes \$67,000 for emissions testing services.

Offerors	Averaged Scores	Price for Tests 1-4
C.E.M. Solutions, Hernando, FL	827.83	\$28,275
Air Hygiene, Broken Arrow, OK	781.67	\$22,185
Mostardi Platt, Elmhurst, IL	725.83	\$27,331
Alliance Source Testing, Decatur, AL	662.67	\$27,500
Montrose Air Quality Services, Elk Grove Village, IL	628.50	\$34,500
METCO Environmental, Addison, TX	595.00	\$58,800
Grace Consulting, Inc, Brownsburg, IN	592.50	\$42,700
Wilcox Environmental Engineering, Speedway, IN	528.00	\$50,000

**Based on the averaged scores and a unanimous decision by the evaluation team, staff is recommending that a contract be awarded to C.E.M. Solutions, Hernando, Florida. C.E.M. Solutions is familiar with the City of Ames Power Plant having performed emissions testing for the plant in the past. They have presented reports that are thorough and timely. C.E.M. Solutions will perform testing at the GT2 site with technology and methods that have been proven correct and accurate in years past. Payments would be calculated on unit prices bid for actual services performed.**

Staff recommends 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.

**ALTERNATIVES:**

1. Award a contract to C.E.M Solutions, Inc., Hernando, Florida, for Emissions Testing Services Contract for Power Plant for FY 2019/20.

Testing services would be provided as requested by the City. Invoices would be based on services received and accepted by the City and unit prices included with the price proposal. It is anticipated that testing will be performed multiple times during the year, choosing different options. The total cost of services will not exceed \$40,000.

2. Award a contract to another bidder.
3. Reject all proposals and purchase emissions testing services on an as-needed basis.

**CITY MANAGER'S RECOMMENDED ACTION:**

State and federal regulations require this testing to be performed on our operating boilers and gas turbine. Staff believes that C.E.M. Solutions, Inc. of Hernando, Florida provides the best 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 No. 1 as stated above.