



City of Grand Island

Monday, March 26, 2012

Council Session

Item G7

#2012-77 - Approving Bid Award - Continuous Emissions Monitoring Systems (CEMS) at Platte Generating Station

Staff Contact: Tim Luchsinger

Council Agenda Memo

From: Timothy G. Luchsinger, Utilities Director
Jason Eley, Assistant City Attorney

Meeting Date: March 26, 2012

Subject: Continuous Emissions Monitoring System (CEMS)

Item #'s: G-7

Presenter(s): Timothy G. Luchsinger, Utilities Director

Background

The Environmental Protection Agency (EPA) published a new regulation for power plant air emissions on July 7, 2011, the Cross State Air Pollution Rule (CSAPR), which was to replace the current Clean Air Interstate Rule on January 1, 2012. The CSAPR has lowered the annual amount of nitrous oxides (NO_x) emissions that can be released as a result of the combustion process in the plant boiler, and this lower amount becomes the limiting constraint on the generating output of the Platte Generating Station, about 45% of its maximum capacity. This loss in generating capacity must be replaced by higher cost options of purchasing power from the regional market or using the gas-fueled facilities at Burdick Station.

To meet the requirements of the new rule, the plant engineering staff researched methods to reduce the amount of NO_x released from the boiler, including plant equipment modifications and chemical additions. Installing new low NO_x burners with separate over-fire air ducts to lower the NO_x emission rate from the unit was evaluated to be the long-term solution to allow full operating capacity for the plant.

Specifications for the Low NO_x Conversion Burners with separate over-fire air ducts were developed by plant staff and issued for bid in accordance with the City Purchasing Code. These specifications include furnishing and installing all of the combustion system components necessary to lower the NO_x emissions from the Platte boiler to a rate of 0.14 lbs./mmBtu, or about one-fourth of its current permitted rate. These specifications also include computer modeling for design of the new burners and final compliance testing and tuning.

Council awarded the contract for Low NO_x Conversion Burners to Babcock Power Services, Inc., of Lees Summit, Missouri, in the amount of \$3,251,444.00 on December

6, 2011. Although a federal appeals court stayed the CSAPR pending hearing scheduled for April, 2012, Utilities management opted to continue with the project, and the system is planned to be installed during a plant maintenance outage in the last quarter of 2012. The installation of new low NOx burners is expected to result in an increase in the potential carbon monoxide (CO) emissions from the unit, therefore, the Nebraska Department of Environmental Quality has indicated that they will require the installation of a continuous emissions monitoring system for CO.

Discussion

The specifications for the Continuous Emissions Monitoring System (CEMS) were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on March 13, 2012. Specifications were sent to four potential bidders and responses were received as listed below. The engineer’s estimate for this project was \$60,000.00.

Bidder	Bid Price
Monitoring Solutions, Exton, PA	\$ 55,775.00
Altech Environmental USA, Geneva, IL	\$ 90,969.00
Sick, Inc., Bloomington, MN	\$ 91,271.00
AC Systems Integration, Inc., Tulsa, OK	\$ 102,874.00
STI Cems Services, Waldron, AR	\$ 114,930.00

The bids and exceptions were reviewed by plant engineering staff. In order to comply with specification requirements and ensure comparability with the other bidders, the Monitoring Solutions bid of \$51,400.00 was adjusted to include sales tax, for an adjusted bid price of \$55,775.00. The bid from Monitoring Solutions was found to be otherwise compliant with the specification, less than the engineer’s estimate, and exceptions regarding scheduling were reviewed and are acceptable.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve.
2. Refer the issue to a Committee.
3. Postpone the issue to future date.
4. Take no action on the issue.

Recommendation

City Administration recommends that the Council award the Contract for Continuous Emissions Monitoring System (CEMS) to Monitoring Solutions of Exton, PA, as the low responsive bidder, in the amount of \$55,775.00.

Sample Motion

Move to approve the bid from Monitoring Solutions in the amount of \$55,775.00 for the Continuous Emissions Monitoring System (CEMS) at Platte Generating Station.



Jason Eley, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: March 13, 2012 at 2:00 p.m.
FOR: Continuous Emissions Monitoring System (CEMS)
DEPARTMENT: Utilities
ESTIMATE: \$60,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: February 29, 2012
NO. POTENTIAL BIDDERS: 4

SUMMARY

Bidder:	<u>Altech Environment USA</u> Geneva, IL	<u>Monitoring Solutions</u> Exton, PA
Bid Security:	Fidelity & Deposit Co.	\$3,000.00
Exceptions:	None	Noted
Bid Price:		
Material:	\$48,523.00	\$51,400.00
Labor:	\$42,446.00	---
Sales Tax:	---	---
Total Bid:	<u>\$90,969.00</u>	<u>\$51,400.00</u>
Bidder:	<u>AC Systems Integration, Inc.</u> Tulsa, OK	<u>Sick, Inc.</u> Bloomington, MN
Bid Security:	Granite Rex, Inc.	\$9,000.00
Exceptions:	Noted	Noted
Bid Price:		
Material:	\$72,903.00	\$70,980.00
Labor:	\$25,068.00	\$18,220.00
Sales Tax:	<u>\$ 4,903.00</u>	<u>\$ 5,971.00</u>
Total Bid:	\$102,874.00	\$91,271.00

Bid Security: Waldron, AR
Exceptions: \$5,746.50
None

Bid Price:
Material: \$95,855.00
Labor: \$19,075.00
Sales Tax: ---
Total Bid: \$114,930.00

cc: Tim Luchsinger, Utilities Director
Jason Eley, Purchasing Agent
Mary Lou Brown, City Administrator
Karen Nagel, Utilities Secretary

Bob Smith, Assist. Utilities Director
Pat Gericke, Utilities Admin. Assist.
Emily Muth, PGS

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RESOLUTION 2012-77

WHEREAS, the City of Grand Island invited sealed bids for Continuous Emissions Monitoring System (CEMS), according to plans and specifications on file with the Utilities Department; and

WHEREAS, on March 13, 2012, bids were received, opened and reviewed; and

WHEREAS, Monitoring Solutions of Exton, PA, submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, such bid being in the amount of \$55,775.00; and

WHEREAS, the bid of Monitoring Solutions is less than the estimate for the Continuous Emissions Monitoring System (CEMS).

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Monitoring Solutions in the amount of \$55,775.00 for Continuous Emissions Monitoring System is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, March 26, 2012.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk