

ITEM #:	<u>32</u>
DATE:	<u>03-11-25</u>
DEPT:	<u>ELEC</u>

COUNCIL ACTION FORM

SUBJECT: CHANGE ORDER NO. 2 FOR LEGAL SERVICES FOR THE POWER PLANT

BACKGROUND:

On September 6, 2024, the City Manager's Office approved entering into an agreement with Ritts Law Firm, of Alexandria, Virginia, for Legal Services for the Power Plant, in an amount not to exceed \$40,000. In the initial agreement, Electric Services staff worked with Ritts Law Firm to perform a variety of tasks, including management of state and EPA standards related to the coal ash pond project, developing a construction permit for GT1, and determining the proper path to correct a calculation of an emission parameter.

On February 11, 2025, the City Manager's Office approved Change Order No. 1, in the amount of \$8,500, for additional funds to continue support through two projects: 1) GT1 construction permit and 2) correcting the emission calculation. The application for the GT-1 construction permit has been sent to the state, but additional assistance is needed to work with the state and obtain a final permit. The emission parameter calculation project also needs additional legal assistance. Because co-burning refuse-derived fuel (RDF) with natural gas is very uncommon across the nation, calculating the emissions parameters correctly is very difficult and requires a large amount of time to sort through data and research regulations.

Therefore, Change Order No. 2 is being requested to add funds to the purchase order for Ritts Law Firm to provide additional legal services needed to 1) obtain a final GT-1 construction permit and 2) finish verifying the correct emissions parameter calculation related to burning RDF. Staff is proposing adding an additional \$25,000 to the contract.

Funding for this change order will come from both the Outside Professional Services and Court Fee/Permits accounts within the Fuel and Purchased Power budget, where there is \$15,000 and \$10,000 available, respectively.

ALTERNATIVES:

1. Approve Change Order No. 2 to Ritts Law Group, Alexandria, VA, for Legal Services for the Power Plant, in the amount of \$25,000.
2. Do not approve the change order.

CITY MANAGER'S RECOMMENDED ACTION:

As the City Electric Department navigates unique areas of state and federal regulations, it is important to have personnel with specialized expertise to ensure full compliance with such regulations. The City has relied on the Ritts Law Group to provide this expertise, and staff believes the current agreement represents a good value to the City. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.