

ITEM #: 32
DATE: 02-13-24
DEPT: ELEC

COUNCIL ACTION FORM

SUBJECT: **ASH POND CLOSURE AND RDF ASH POND CONSTRUCTION**

BACKGROUND:

The City's Power Plant operated for over a century by combusting coal to generate electricity. The combustion of coal (and since the mid-1970s refuse-derived fuel, or RDF) generated ash as a byproduct. Although the Power Plant no longer burns coal, the combustion of RDF still results in ash being generated. The ash from the Power Plant is conveyed from the boilers to an ash impoundment pond several hundred yards to the east of the Power Plant.

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. **Compliance with the CCR rule requires a major project to reconfigure the existing ash site in which approximately one-half of the site with coal ash will become a closed-in-place impoundment. The remaining half will be reconstructed as a new lagoon to continue to receive ash from the Power Plant as it continues to burn RDF.**

On November 28, 2023, City Council approved preliminary plans and specifications for Ash Pond Closure and RDF Ash Pond Construction. Bid documents were issued to 28 firms and three plan rooms. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published on the websites of a contractor plan room service with statewide circulation.

On January 24, 2024, eight bids were received as shown in the table below.

BIDDER	BASE BID	ALTERNATE BID
ELDER CORPORATION Des Moines, IA	\$2,198,995.00	\$1,862,980.00
ON TRACK CONSTRUCTION LLC Nevada, IA	\$2,486,549.00	\$2,612,872.00
JB HOLLAND CONSTRUCTION INC Decorah, IA	\$2,606,093.15	\$2,527,699.00
RACHEL CONTRACTING LLC St Michael, MN	\$3,439,269.00	\$2,923,705.25
RYAN INCORPORATED CENTRAL Janesville, WI	\$4,605,956.75	\$2,614,381.00
VEIT & COMPANY INC Rogers, MN	\$4,505,704.99	\$2,956,128.51
TETRA TECH EC, INC Parsippany, NJ	\$5,127,723.00	\$3,508,104.00

CJ MOYNA & SONS LLC Elkader, IA	\$5,692,085.40	\$3,082,358.60
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The Engineer's estimate for this project is \$5,100,000 for the base bid and \$2,100,000 for the Alternate bid. Because of the federal requirements to encapsulate the coal ash, Electric Services staff needs additional time to evaluate the bids to ensure the contractors have the necessary qualifications and experience working with coal ash.

ALTERNATIVES:

1. Accept the report of bids and delay the award to provide staff additional time for review.
2. Reject all bids and direct staff to rebid.
3. Award a contract to one of the bidders.

CITY MANAGER'S RECOMMENDED ACTION:

The completion of the ash pond closure project is a federal requirement. Electric Services would like time to evaluate the bids and check references before recommending award. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as stated above.