

Williams/Via

**RESOLUTION NO. 6490**

**WHEREAS**, Nebraska City Station Unit 2 (NC2) is equipped with two selective catalytic reduction (SCR) units as part of its emissions control equipment and management has determined that the catalyst layers of each SCR should be replaced during future planned outages to meet nitrogen oxides (NOx) emission limits; and

**WHEREAS**, the District's Engineer has certified that a publicly-available Request for Proposals (RFP) process followed by negotiations with qualified bidders will allow the District the opportunity to increase the number of viable bids and achieve the most advantageous combination of commercial terms and technical requirements to procure the catalyst layers; and

**WHEREAS**, for these reasons, the District's Engineer has certified that the use of sealed bidding would be impractical and not in the public interest; and

**WHEREAS**, pursuant to Nebraska Revised Statute Section 70-637 (as amended), and upon approval of the Engineer's Certification by the Board of Directors, the District may negotiate and enter into a contract or contracts related to procurement of such catalyst layers without sealed bidding.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Omaha Public Power District that:

1. The Engineer's Certification requesting that the Board waive the sealed bid requirements, in accordance with Nebraska Revised Statutes Sections 70-637 through 70-639, is hereby approved.
2. Management is hereby authorized and directed to negotiate and enter into the necessary contract or contracts to procure catalyst layers for the selective catalytic reduction units at Nebraska City Station Unit 2, subject to review and approval of the final contract(s) by the District's General Counsel.
3. The notice required by Nebraska Revised Statutes Section 70-637 shall be published in the Omaha World Herald, or other similar newspaper of general circulation.



# Board Action

## BOARD OF DIRECTORS

February 15, 2022

### ITEM

Nebraska City Station Unit 2 Selective Catalytic Reduction (SCR) Catalyst Materials

### PURPOSE

Provide materials and fabrication for the supply of catalyst modules for the SCR system.

### FACTS

- a. As part of the ongoing catalyst management plan, it has been determined that one catalyst layer of each SCR should be replaced approximately every two (2) years to meet nitrogen oxides (NOx) emissions limits.
- b. Installation of the catalyst modules is scheduled for a planned 2023 outage and will be performed under a separate labor contract.
- c. Although OPPD has used the statutory sealed bid process for past purchases of the catalyst, OPPD has experienced limits on the number of competitive bids with acceptable technical and commercial terms when using this process.
- d. The District's engineer has certified that a publicly available Request for Proposal followed by negotiations will improve the competitive bid environment and likely result in a more cost effective procurement for the District. As part of these negotiations, OPPD Management will explore applicable options, including up to a six-year (three layer replacement) option, to obtain a contract with the best total cost of ownership for OPPD.

### ACTION

Approval of the Engineer's Certification and authorization for management to negotiate and enter into a contract for procurement of SCR catalyst modules for the Nebraska City Station Unit 2 SCR system.

#### RECOMMENDED:

DocuSigned by:

*Troy R. Via*

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Troy R. Via  
Chief Operating Officer and Vice  
President – Utility Operations

#### APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:

*L. Javier Fernandez*

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L. Javier Fernandez  
President and Chief Executive Officer

TRV:sae

Attachments: Letter of Recommendation  
Engineer's Certificate  
Legal Opinion  
Resolution  
Photograph



## MEMORANDUM

DATE: February 3, 2022

UO-2022-001

FROM: S.A. Eidem

TO: T.R. Via

SUBJECT: Nebraska City Station Unit 2 SCR Catalyst Layer Materials

### 1.00 GENERAL

Nebraska City Station Unit 2 is equipped with two Selective Catalytic Reduction (SCR) units as part of the emissions control equipment, with one SCR installed in each of two flue gas trains. Each SCR contains three layers of catalyst divided into 90 individual modules per layer.

OPPDP utilizes a catalyst management plan to evaluate catalyst activity and plan for replacement of the layers to maintain consistent nitrogen oxides (NOx) reduction while minimizing excess ammonia usage. Per this plan, the top catalyst layer in each SCR module is scheduled for replacement during a planned spring 2023 outage. A separate labor contract is planned to be awarded later this year for installation.

OPPDP intends to revise the technical specifications for this contract to switch from the current honeycomb style of catalyst to plate style. This plate style catalyst has been successfully used in units similar to Nebraska City Station Unit 2 and proven to be less susceptible to ash plugging with no degradation of chemical reactivity.

Although OPPDP has used the statutory sealed bid process for past purchases of the catalyst, OPPDP has experienced limits on the number of competitive bids with acceptable technical and commercial terms, when using this process. OPPDP Management proposes to seek competitive bids through a publically available Request for Proposal (RFP) process followed by detailed negotiations with qualified bidders.

As part of these negotiations, OPPDP Management will explore applicable options, including up to a six-year (three layer replacement) option, to obtain a contract with the best total cost of ownership for OPPDP. The contract will be awarded to the bidder with the lowest and best evaluated bid.

### 2.00 RECOMMENDATION

An Engineer's Certification of the above has been prepared. Approval of that Certification is recommended. We request the Board of Directors to approve the Engineer's Certification and to authorize management to negotiate and enter into a contract to procure SCR catalyst materials for Nebraska City Station Unit 2.

*Scott A. Eidem*

S.A. Eidem, P.E.

Director - Engineering Services

Utility Operations

ENGINEER'S CERTIFICATE

The Omaha Public Power District (OPPD) intends to enter into a contract to procure catalyst modules for installation in the two existing Selective Catalytic Reduction (SCR) units, which form part of the emissions control equipment, for Nebraska City Station Unit 2.


Each SCR contains three layers of catalyst which chemically reacts with flue gas and injected ammonia to reduce nitrogen oxides (NOx) emissions. Over time, the catalyst depletes and must be replaced to maintain chemical reactivity in the SCR. OPPD utilizes a catalyst management plan to monitor catalyst activity and plan for regular replacement of the layers while maintaining consistent NOx reduction. As a general rule, OPPD has replaced one layer of catalyst modules approximately every two years resulting in multiple past contracts to purchase catalyst.

Although OPPD has used the statutory sealed bid process for past purchases of the catalyst, OPPD has experienced limits on the number of competitive bids with acceptable technical and commercial terms, when using this process. OPPD Management proposes to seek competitive bids through a publically available Request for Proposal (RFP) process followed by detailed negotiations with qualified bidders. As part of these negotiations, OPPD Management will explore applicable options, including up to a six-year (three layer replacement) option, to obtain a contract with the best total cost of ownership for OPPD.

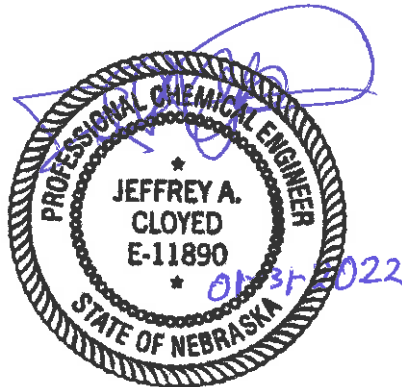
The undersigned, a Nebraska professional engineer employed by OPPD, certifies that compliance with the sealed bidding requirements of Nebraska statutes, Neb. Rev. Stat. 70-637 to 70-641, is impractical and not in the public interest, and that a publicly-available RFP followed by negotiations with qualified bidders will allow OPPD the opportunity to increase the number of viable bids and achieve the most advantageous combination of commercial terms and conditions combined with established technical requirements to procure the catalyst modules.

Pursuant to Section 70-637 of the Nebraska Revised Statutes, as amended, the Board of Directors is requested to approve this Engineer's Certificate and authorize Management to negotiate and enter into a contract to procure catalyst modules for the Nebraska City Unit 2 SCR units without compliance with the sealed bidding requirements of Sections 70-637 to 70-641 of the Nebraska Revised Statutes.

I, Jeffrey A Cloyd, (registered Professional Engineer in the State of Nebraska), certify the above to be true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Jeffrey A. Cloyd, P.E.

01-31-2022  
\_\_\_\_\_  
Date



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January 31, 2022

Omaha Public Power District  
444 South 16<sup>th</sup> Street  
Omaha, NE 68102

RE: Engineer's Certificate; Catalyst modules for selective catalytic reduction units at  
Nebraska City Station Unit 2

Ladies and Gentlemen:

We have reviewed the Engineer's Certificate of Mr. Jeffrey A. Cloyed, P.E., a professional engineer employed by the District. The Engineer's Certificate explains that the District intends to enter into a contract to procure catalyst modules for installation in the two existing selective catalytic reduction (SCR) units, which form part of the emissions control equipment for Nebraska City Station Unit 2. Mr. Cloyed certifies that a publicly-available Request for Proposals process followed by negotiations with qualified bidders will allow OPPD the opportunity to increase the number of viable bids and achieve the most advantageous combination of commercial terms and technical requirements to procure the catalyst modules. For these reasons, Mr. Cloyed certifies that it would be impractical and not in the public interest for the District to utilize the statutory sealed bidding process for this procurement.

Section 70-637 of the Nebraska Revised Statutes authorizes the District to enter into contracts when a professional engineer for the District has certified that compliance with the sealed bidding requirement would be impractical or not in the public interest. Section 70-637 requires the Engineer's Certificate to be approved by a two-thirds vote of the District's Board of Directors. It is our opinion that Mr. Cloyed's Engineer's Certificate meets the requirements of Section 70-637, and the District's Board may approve the Certificate and authorize Management to negotiate and enter into a contract for the procurement of the catalyst modules for the SCR units at Nebraska City Station Unit 2.

Section 70-637 requires that the District's intention to enter into this contract must be published three (3) times in a newspaper of general circulation, with not less than seven (7) days between issues. The contract may not be executed until twenty (20) days after the last advertisement. The advertisement process may begin before Board review.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Stephen M. Bruckner". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen M. Bruckner  
FOR THE FIRM

SMB/sac  
2745477.2

# Nebraska City Station Unit 2 Selective Catalytic Reduction Catalyst Replacement Project



New Catalyst Module – Plate Style