

City of Independence

MEMORANDUM

City Council Office

DATE: June 16, 2017

TO: Honorable Mayor and Council Members

FROM: Jordan C. Ellena, Management Analyst 

SUBJECT: **Contract Review: Missouri City Power Plant Divestiture Services**



Before you is an ordinance to authorize a contract with Missouri City Acquisition, LLC, in an amount not to exceed \$9,765,000. The proposed contract is for the sale, demolition and environmental remediation of the Missouri City Power Plant. I have reviewed the proposed contract in accordance with City Code Sec. 1.43.007 (D).

Having reviewed the applicable contract documents and actions taken to date, it is my opinion that the contract documents are acceptable. Staff has engaged in a very thorough evaluation and solicitation process. That process began three years ago with Council Resolution 5933 directing the City Manager to produce a report outlining the options and estimated costs for the disposition of the Missouri City Power Plant. Segra Engineering produced a report in July 2015 outlining five options for the disposition of the plant and staff recommended the plant's decommissioning. In that same report, Segra estimated a cost of \$17 million for the option to dismantle and sell the site.

Following the Segra recommendations the plant ceased operations on September 19, 2015 and a Request for Qualifications was initiated on August 15, 2016, for decommissioning of the plant and repurposing the property. The RFQ was conducted pursuant to all requirements and resulted in proposals that provided for the sale of the property and the transfer of liabilities as part of the plant demolition and remediation.

On February 21, 2017, a Request for Proposal was initiated titled "Missouri City Power Plant Divestiture Services" and three proposals were received. On June 14, 2017, staff, legal counsel and engineering consultants concluded negotiations with Environmental Operations, Inc. resulting in this proposed contract for the sale, demolition, and remediation of the Missouri City Power Plant.

Proper procurement procedures were adhered to and I find no provisions in the contract that would be detrimental to the City. Please let me know if you have any questions or concerns.

C: Zachary Walker, City Manager
Mark Randell, Assistant City Manager
Lauren Palmer, Assistant City Manager
Sarah Carnes-Lemp, City Clerk
Leon Daggett, Power and Light Director