

**COUNCIL ACTION FORM**

**SUBJECT: CHEMICAL TREATMENT PROGRAM FOR POWER PLANT**

**BACKGROUND:**

This contract is for the chemicals and services for chemical treatment of the boilers, cooling tower, coal yard, and ash ponds at the Power Plant. The scope of work includes supplying a range of chemicals, technical expertise in boiler chemistry and analysis, the ability to train Power Plant staff in maintaining the system, and detailed monitoring and analysis of the boilers to insure they are safeguarded against damage. All of this is essential for the operation of the Power Plant.

**This contract is to provide chemical treatment services for the period from July 1, 2015 through June 30, 2016.** The contract includes a provision that would allow the City to renew the contract for up to four additional one-year terms. Council should note that the City currently has an annual renewable contract in place for these services. This contract is in the final year and expires on June 30, 2015.

On March 27, 2015, a Request for Proposal (RFP) was issued to ten companies for proposals. The RFP was advertised on the Current Bid Opportunities section of the Purchasing webpage, and was also sent to one plan room. On May 7, 2015, staff received proposals from three companies. Staff evaluated the proposals and independently evaluated and scored all three proposals in the following two steps:

**STEP 1:**

The proposals were evaluated based on documentation of site visit and compliance with proposal documents. This criterion was rated on a Pass / Fail basis.

**STEP 2:**

The proposals were evaluated based on: 1) service related performance capabilities; 2) references, history of performance, and ability to meet ongoing services; 3) technical proposal; and 4) price.

Based on the matrix used to quantify these proposals, the averaged scores in this step are shown below:

Offerors	Averaged Scores	Overall Annual Base Case Cost*
ChemTreat, Inc Glen Allen, VA	958	\$111,862.62
Veolia Water Technologies Vandalia, OH	828	\$123,885.64
Jaytech, Inc. Des Moines, IA	731	\$216,720.20
* Annual estimated costs to perform the specified services and supply of chemicals based on typical operating conditions.		

Each score was based on a scale of 1 to 10. Overall, 1,000 possible points were available cumulatively for each firm. The overall weighted score was a function of the aforementioned evaluation factors.

**Based on the averaged scores and a unanimous decision by the evaluation committee, staff is recommending that a contract be awarded to ChemTreat, Inc., Glen Allen, VA, for an amount not-to-exceed \$125,000. Payments would be calculated on unit prices bid for actual work performed.**

**Staff recommends that these services continue to be outsourced on an annual renewable contract basis.** The benefits of having a contract for these services in place include the following:

- 1) Consistency of work and quality from a single contractor.
- 2) Reduction in the City's exposure to market forces regarding prices and availability for labor, travel, and supplies in preparation for a scheduled outage.
- 3) Rapid contractor mobilization to start emergency repairs, thus reducing generation downtime.
- 4) Saved City staff time obtaining quotes, evaluating bids and preparing specifications and other procurement documentation.

The approved FY2015/16 Power Plant operating budget includes \$260,000 for this contract. Invoices will be based on contract rates for time and materials for services actually received.

**ALTERNATIVES:**

1. Award a contract to ChemTreat, Inc., Glen Allen, VA, for Chemical Treatment Program in an amount not-to-exceed \$125,000.

This contract includes a provision that would allow the City to renew the contract for up to four additional one-year terms at stated rates.

2. Reject all proposals and purchase chemical treatment services on an as-needed basis.

**MANAGER'S RECOMMENDED ACTION:**

The quality of the chemicals and service that we receive under this contract is critical to optimal operation of the Plant. Competent treatment of the water in the boiler and cooling tower systems is essential to keeping the Plant in top operating condition.

It is essential to receive chemicals and related treatment services for the Power Plant at the lowest possible cost consistent with the quality required to maintain Plant operations. It is also necessary to lock in prices and accountability with key contractors. By choosing alternative No. 1, the Plant would be able to achieve these goals.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.