

**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT CHEMICAL TREATMENT PROGRAM – CHANGE ORDER NO. 1**

**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.

**On May 26, 2015, Council awarded an initial contract for the Chemical Treatment Program to ChemTreat, Inc., Glen Allen, VA, for hourly rates and unit prices bid, in an amount not to exceed \$125,000.** That contract was to provide chemical treatment services for the period from July 1, 2015 through June 30, 2016.

The proposed Change Order No. 1 will add an additional \$60,000 to the current contract for FY2015/16, bringing the total contract amount to \$185,000. Staff determined that the \$125,000 amount originally awarded is not enough to cover all of the Plant's chemical requirements for the contract term, and that additional funds are needed. Historically the amount awarded on this contract matched the budgeted amount, which is \$260,000. **The Council should understand the additional funds authorized in this change order will not be spent unless needed.**

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. Invoices will be based on contract rates for time and materials for services actually received.

**ALTERNATIVES:**

1. Approve contract Change Order No. 1 to ChemTreat, Inc. in the amount of \$60,000.
2. Do not approve the change order.

**MANAGER'S RECOMMENDED ACTION:**

The quality of chemicals and service received under this contract are critical to optimal operation of the Power Plant. Competent treatment of the water in the boiler and cooling

tower systems is essential to keeping the Plant in top operating condition. Approval of this change order will allow the Plant to continue achieving these goals.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.