

**COUNCIL ACTION FORM**

**SUBJECT: BOTTLE EXCHANGE PROGRAM (RENTAL), TWO BED  
DEMINERALIZER, AND RELATED SERVICES FOR POWER PLANT**

**BACKGROUND:**

This contract consists of providing a bottle exchange service for a two-bed demineralizer, strong acid cation and a strong base anion, and a bottle exchange mixed-bed demineralizer for the Power Plant. There is also a requirement for a mobile purification system to batch-fill a 265,000 gallon de-ionized water tank for water injection on a combustion turbine, as well as a final mixed-bed polisher for that unit. The contractor operates the program on a 24-hour per day, seven days per week schedule including holidays, and provides 24-36 hour emergency replacement service when required.

On May 8, 2018, a request for proposals was issued to seven potential bidders. The RFP was advertised on the Current Bid Opportunities section of the Purchasing webpage and was sent to two plan rooms. On May 30, 2018, two proposals were received. Proposals were evaluated first pass/fail on compatibility with plant hookups and documentation of the mandatory site visit. The proposals were then scored by the evaluation team using the following criteria:

- 1) Price.
- 2) Offeror's experience, qualifications and references for similar services.
- 3) Service related performance capabilities including:
  - a. Delivery time and flexibility in meeting the delivery requirements.
  - b. Equipment and personnel availability meeting the quality needs of the Power Plant.
  - c. Equipment suitability for the proposed purpose.

The overall scores from the evaluation were:

MPW Industrial Services, Hebron, Ohio	2,650 points
NALCO Crossbow-Water, LLC, Glenwood, Illinois	2,035 points

Unit prices proposed by MPW are as follows:

<b>Description</b>	<b>Price</b>
Monthly price for service	\$240/vessel/month
Bottle fee	\$600/vessel/exchange
Demurrage	Included
Provide custom flange to camlock connection to interface with customer provided connections	\$1,500

The estimated amount of the contract for FY 2018/19 was \$45,000. The contract award was approved by the City Manager in accordance with purchasing policies for award of contracts under \$50,000.

**The contract included the option to renew the contract for up to an additional four one-year terms. While the bid from MPW Industrial Water Services, Inc. includes a provision for increases of up to 3% per year, the company has proposed no price increases for the FY 2019/20 renewal period.**

The benefits of having a contract for these services in place include the following:

- 1) Consistency of products and quality from a single contractor.
- 2) Reduction in the City's exposure to market forces regarding prices and availability.
- 3) Rapid contractor response to emergencies.
- 4) Saved City staff time obtaining and evaluating proposals, and in preparing technical requirements and other procurement documentation.

The approved FY 2019/20 operating budget for Electric Production includes \$50,000 for these products and services. **Invoices will be based on contract rates for materials and services actually received.**

#### **ALTERNATIVES:**

1. Approve renewal of the contract for FY 2019/20 with MPW Industrial Water Services, Inc., Hebron, Ohio, for the Bottle Exchange Program (Rental), Two Bed Demineralizer and Related Services for Power Plant, for unit prices bid, in an amount not to exceed \$50,000. The contract includes a provision that would allow the City to renew the contract for up to three additional one-year terms. Invoices will be based on contract rates for materials and services actually received.
2. Reject the renewal option and purchase Demineralizer and Related Services for Power Plant on an as-needed basis.

#### **MANAGER'S RECOMMENDED ACTION:**

These materials and services are necessary to properly maintain and operate Power Plant equipment. This contract would establish rates for services and materials and provide for guaranteed availability, thereby setting in place known rates for service and controlling the Plant's costs. Funds will be expended only as work is required and in accordance with approved invoices.

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