

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 for the period from July 1, 2020 through June 30, 2021. 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 April 29, 2020, a Request for Proposal (RFP) was issued to fourteen companies for proposals. The RFP was advertised on the Current Bid Opportunities section of the Purchasing webpage and was also sent to three plan rooms. On May 21, 2020, staff received proposals from five companies. Staff evaluated the proposals and independently evaluated and scored all five 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 evaluate these proposals, the average scores in this step are shown below:

Offerors	Averaged Scores	Overall Annual Base Case Cost*
ChemTreat, Inc Glen Allen, VA	760	\$208,587.55
Nalco Company, LLC Naperville, IL	652	\$298,672.00
U.S. Water a Kurita Company St. Michael, MN	622	\$185,109.43

Garratt-Callahan Company Burlingame, CA	548	\$168,255.6
Jaytech, Inc. Des Moines, IA	473	\$75,274.00
* 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 average 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 \$290,000, which is the amount approved in the FY2020/21 Power Plant operating budget. Payments would be calculated on unit prices bid for actual work performed.

Staff is mindful that the proposed award is one of the higher cost proposals. It is important to note that while cost is one component of the evaluation process, it is most important that the vendor selected meets the City's needs. Staff believes the value provided by ChemTreat's proposal far outweighs the cost difference compared to the other proposals.

The decision to recommend ChemTreat was based on the following considerations:

- Some of the lower cost proposals charged additionally for lab services and service visits.
- Some proposals did not provide references from utility boilers.
- Some proposals offered a much different chemical treatment philosophy which is different the City's.
- Some proposals made claims that the chemicals they would be using, which are cheaper, are the same chemicals that we currently use. After researching this claim, it was proved inaccurate.
- Some proposals did not account for the Manganese in the water, which would have a negative effect on the Power Plant operations.
- Some proposals did not perform a water cycle study to understand the City's system well in order to provide an accurate bid.

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 City may renew the original contract for up to four (4) additional twelve-month periods and shall follow the criteria.

- Extension terms are contingent upon approval by the Ames awarding authority.
- No price escalation will be allowed during the initial term of the Contract. Price adjustments thereafter will be only as agreed for each extension period, and prices shall remain unchanged during each extension period.
- If it is mutually decided to renew beyond the initial period and the vendor requests a price increase, the vendor shall provide enough written certification and documentation to substantiate the request. Documentation shall include, but not be limited to, actual materials invoices, copies of commercial price lists, provision of appropriate indices, etc., which reflect said increases.
- Proposed price increases shall be submitted a minimum of 60 days prior to the Contract renewal date.
- The City reserves the right to accept or reject price increase proposals for extension periods, to negotiate more favorable terms, or to terminate without cost, the future performance of the 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 \$290,000.

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


2. Award a contract to one of the other proposers.
3. Reject all proposals and purchase chemical treatment services on an as-needed basis.

CITY MANAGER'S RECOMMENDED ACTION:

The quality of the chemicals and service that we receive under this contract is 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.

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 will 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.

		Request for Proposal #2020-098 Chemical Treatment Program Pricing Summary			
Costs	ChemTreat	Nalco Water	US Water	Garratt Callahan	Jaytech
Boiler Treatment Cost	\$4,121.66	\$12,385.00	\$27,276.25	\$9,380.20	\$6,079.00
Cooling Tower Cost	\$188,034.26	\$284,435.00	\$147,577.03	\$149,256.41	\$38,278.00
Ash Treatment Cost	\$12,993.61	\$151.00	\$5,066.25	\$8,355.77	\$12,180.00
RO Pretreatment Cost	\$765.45	\$373.00	\$33.90	\$288.08	\$1,092.00
Cooling Water (Closed Loop) Cost	\$2,672.57	\$340.00	\$5,156.00	\$975.00	\$1,445.00
Other (Non-Oxidizing Biocide)	N/A	\$988.00	N/A	N/A	\$5,200.00
Consulting	N/A	N/A	N/A	N/A	\$11,000.00
Total	\$208,587.55	\$298,672.00	\$185,109.43	\$168,255.46	\$75,274.00